Charles E. Robinson, of Washington, to be U.S. marshal for the western district of Washington for the term of 4 years, reappointment.

Charles R. Wilcox, of Wyoming, to be U.S. marshal for the district of Wyoming for the term of 4 years, reappointment.

Bill Carnes Murray, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years, reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12, 1973:

DEPARTMENT OF JUSTICE

John R. Wilks, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years.

George W. F. Cook, of Vermont, to be U.S. attorney for the district of Vermont for the term of 4 years.

DEPARTMENT OF STATE

William H. Sullivan, of Rhode Island, a Foreign Service Officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

William D. Brewer, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

William I. Cargo, of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

William G. Bowdler, of Florida.
William B. Buffum, of New York.
Jack B. Kubisch, of Michigan.
Thomas W. McElhiney, of the District of Columbia.
Albert W. Sherer, Jr., of Illinois.
Malcolm Toon, of Maryland.

ASIAN DEVELOPMENT BANK

Paul Rex Beach, of Virginia, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, July 12, 1973*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

They that wait upon the Lord shall renew their strength.—Isaiah 40: 31.

Eternal God, our Father, who art the refuge and strength of the people in every age, come Thou anew into our hearts as we bow humbly in Thy presence. Help us to realize our dependence upon Thee and our need of Thy forgiveness, Thy guidance and Thy love. Make us conscious of Thy spirit and give us to know that with Thee we are equal to every experience and ready for every responsibility.

We do not ask for easy tasks but for the willingness to do them, easy or hard; we do not pray for light burdens but for the strength to carry them, light or heavy; we do not seek for work we like to do but for the spirit to like what we have to do. Grant us wisdom and strength for the work of this day.

Let Thy spirit work mightily in our Nation and in our world that hurts may be healed, divisions may no longer divide, and truth may reign in every mind, and good will may dwell in every heart. In the spirit of the Master we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1141. An act to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes;

S. 1328. An act to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California;

S. 1435. An act to provide an elected Mayor and City Council for the District of Columbia, and for other purposes; and

S. 1989. An act to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries.

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 device, and the following Members failed to respond:

[Roll No. 333]

Adams	Downing	Michel
Alexander	Esch	Mitchell, N.Y.
Anderson, Ill.	Evins, Tenn.	Moorhead, Pa.
Ashley	Fisher	Morgan
Badillo	Ford,	Nelsen
Blatnik	William D.	Passman
Boggs	Fraser	Pepper
Bolling	Frenzel	Pettis
Brotzman	Giaimo	Reid
Brown, Calif.	Goldwater	Rhodes
Burgener	Gray	Robison, N.Y.
Burke, Calif.	Griffiths	Rooney, N.Y.
Carey, N.Y.	Hanley	Rosenthal
Carter	Hawkins	Rousselot
Chisholm	Henderson	Roybal
Clark	Holifield	Ryan
Clausen,	Howard	Satterfield
Don H.	Huber	Slack
Collins, Ill.	Johnson, Calif.	Steed
Culver	Landgrebe	Stephens
Danielson	Latta	Teague, Tex.
Dellums	McFall	Thone
Dent	McKay	Wilson, Bob
Diggs	Madigan	Yates
Dorn	Mailliard	

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

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

FRIENDSHIP'S DOOR

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

Mr. LEHMAN. Mr. Speaker, I would like to call the attention of my colleagues to a club called Friendship's Door, begun by a young lady in my district, Maxine Gabe.

Friendship's Door is a correspondence club for handicapped persons who can share friendship through letters and tapes. Some of the members are homebound because of age, and others by physical problems. But all are welcome to join the club, which I know has brought a lot of sunshine and happiness into the lives of its members.

Those who wish to join can write to Maxine Gabe, 545 NE. 121st Street, North Miami, Fla. 33161. Maxine, through Friendship's Door, is providing a much-needed service to those people who need a little more light in their lives. And Maxine would welcome some new members.

BUREAUCRATS STYMIE INTENT OF CONGRESS

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

Mr. HUDNUT. Mr. Speaker, one of the classic confrontations in our Nation's history is the one taking place during this session of Congress between the three branches of the Government. An illustration appears in the area of our Nation's health programs. I am concerned about this as a member of the Public Health and Environment Subcommittee of the Committee on Interstate and Foreign Commerce.

Recently the Health Programs Extension Act of 1973 was passed almost unanimously and signed into law by the President, thus authorizing the continua-

tion in fiscal year 1974 of 12 health programs such as community mental health centers, Hill-Burton, regional medical programs, and so on.

Now our committee has discovered that through regulations and directives promulgated by the Department of Health, Education, and Welfare, the intent of the Congress is being willfully violated or ignored so far as the continuation of some of these programs through extension legislation is concerned. To me, this state of affairs is amazing and shocking.

I feel I must ask: What will the Congress do about this? What power do we have to enforce our legislation when it is disregarded by the Executive? How can the will of the people effectively express itself when the bureaucrats stymie authorized programs?

I do not have the answers, but I wish some wiser and more experienced heads in the Congress would give me some.

GOVERNMENT CADILLACS ADD TO AIR POLLUTION

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

Mr. ECKHARDT. Mr. Speaker, the Committee on Interstate and Foreign Commerce has been hearing the question of gasoline shortage in the last several days. During this period of time a very anomalous situation has happened. After I left the hearing I saw a number of Cadillacs in the horseshoe drive entrance of the Rayburn Building which had brought various bureaucrats to testify before the committees or watch others testify or what have you.

On that day when the air pollution was worst in this area, their engines were running in order to keep the Cadillac, with no one in it except the chauffeur, cool so the witness could come back and enter a cool Cadillac to drive back in.

Today I passed that area, and this is a beautiful day, a cool day, but there were two chauffeurs sitting in a Cadillac waiting for Assistant Secretary Sheldon Lubar of HUD who is testifying I assume before the Government Operations Committee. The Cadillac's engine was running to cool the two chauffeurs, but apparently the cooling would have been too intense so they left the windows open, but the engine was running.

LIRR COMMUTERS SHOULD NOT HAVE TO PAY HIGHER FARES TO COVER DEFICIT

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

Mr. WOLFF. Mr. Speaker, I was dismayed by New York Metropolitan Transit Authority Commissioner William Ronan's statement yesterday that the cost of Long Island Railroad commuter tickets could increase an average of 70 percent next January to cover a $93 million deficit over 1974 and 1975. This is an unconscionable increase, far beyond the ability of many Long Islanders to pay. Since Dr. Ronan admitted that recent settlements with LIRR unions were "not excessive," how can he justify this sudden need for a massive price rise?

New York's commuting public, denied any appeal, can no longer be subjected to the rulings of this oligarchy. The MTA must be made subject to the New York State Public Service Commission or an outside investigative body as a watchdog to protect commuters from continued unfair and excessive rate increases.

I have not yet seen Dr. Ronan's entire statement in which he reveals his support for publicly subsidized mass transit. I have long supported increased Federal funding for local transportation, as have virtually all other metropolitan New York Congressmen, as a way to alleviate our severe pollution and energy problems. Dr. Ronan's support for our cause would have been useful and most welcome. I wish we had known of Dr. Ronan's letter to President Nixon urging him to support operating subsidies for mass transportation. I cannot understand why Dr. Ronan waited until now to announce this letter. Where was Dr. Ronan during congressional debate on this issue when his opinion would have possibly had an effect?

It is naive of Dr. Ronan to claim that without those subsidies such drastic price increases are necessary on the LIRR. The MTA also has jurisdiction over a number of bridges and tunnels in New York City which show a profit each year. The tolls on these facilities are paid by New York commuters. It makes sense to me to use some of those funds to subsidize the operation of the LIRR. Failure to do so may increase the price of commuter tickets forcing many LIers onto already clogged roads into New York City. That cannot be allowed to happen.

BUREAUCRATS MUST OBEY THE LAW

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

Mr. ROGERS. Mr. Speaker, the gentleman from Indiana (Mr. HUDNUT) who is a member of the Subcommittee on Public Health and Environment, has made a statement that I hope all Members of this House, if they did not hear it, should take the time to read in the RECORD.

He has pointed up a continuing problem that is accelerating, that this Congress must face. That is, when we pass legislation which is even signed into law by the President as signifying his approval, then the HEW bureaucracy refuses to carry out the provisions of the law. The Department of Health, Education, and Welfare has, in effect, refused to obey the law. Health agencies and health projects all over this Nation are having now to go to court to get the courts to tell the Department of Health, Education, and Welfare to obey the law.

Mr. Speaker, that is an impossible situation, and I hope that it is something this Congress is going to face up to and do something about when we cannot even get the Department of Health, Education, and Welfare to simply obey the law. That is all we ask, obey the law, and they are refusing to do it.

A REPUBLIC—CAN WE KEEP IT?

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

Mr. SYMINGTON. Mr. Speaker, yesterday the Nation was told by former Attorney General John Mitchell, who was named in 1969 to "restore a climate of law and order," and eliminate permissiveness in dealing with lawbreakers, that he withheld knowledge of criminal, highly criminal, activity not only from the President, but the people. His stated reason: The reelection of the President might be jeopardized by such revelation. The most exquisite element of this rationale was his particular fear that the likely reaction of the President himself posed the principal danger—which is to say the highest judicial officer in the land concealed criminal acts from the highest Executive officer in the land for fear the latter would use the information properly as President and, therefore, detrimentally as a candidate for that office.

Mr. Speaker, cold is the American spine that does not get a chill from such dread reasoning. And sunburned is the President who does not redden at such a backhanded compliment. It is said the witness remains unperturbed. Is he to be congratulated, or pitied, or scorned as a pariah even in this age of lost innocence? America is, or should be, deeply perturbed. And mere painful silence is no longer a sufficient reproach. What is needed now, not tomorrow, not when the hearings conclude, but now—is a clear unequivocal expression of chagrin, sorrow, and most importantly, rededication to the ageless promise of the gift we still share—"a Republic—if you can keep it." And that expression, that pledge can only come, and must come from the President himself.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. FOLEY. 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 Washington.

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.

AMENDMENT OFFERED BY MR. SCHERLE

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

The Clerk read as follows:

Amendment offered by Mr. SCHERLE:

On page 22, line 12, strike the words "$1.38 per bushel," and insert in lieu thereof the words "$1.53 per bushel."

Mr. SCHERLE. Mr. Chairman, my amendment is very simple. All it does is increase the House version of the target price from $1.38 a bushel to the Senate version of $1.53 a bushel.

My reason for doing this is because I feel it is imperative to increase production, and the only way we are going to do that is to create some type of incentive. The $1.53 price is only 70 percent of parity.

The House version of $1.38 calls for 63 percent of parity.

Now, this is an intolerable figure. There is no one who can produce at that price at present-day costs.

Mr. Chairman, after listening to the debate here on the House floor for the last 2 days, I am surprised and saddened by the verbal castigation of American agriculture. The callous comments directed toward the farmer are indefensible. To blame the farmer for the problems of our economic society is totally unfair. Production is geared to a merciless market—totally unsympathetic. Any fault or criticism concerning surpluses or shortages should be directed toward the Department of Agriculture or the weather, both of which are uncontrollable. Agriculture today, as it always has been since the beginning of time, is a feast-or-famine occupation or a chicken-to-feathers operation. This is exactly what it amounts to, because at no time does the farmer know exactly how much he has to produce for the requirements of society.

The farmer usually does what is recommended by the Department of Agriculture. Based on their calculations and estimates, the farmer is governed accordingly.

Mr. Chairman, the consumers of this country have always been blessed with ample food, many times at the sacrifice of the producer. The incentive to produce is the secret to production, and only by this method will we continue to have a sufficient supply of food.

The producer has been subsidized for many, many years, but let me give you a few examples of how agriculture has suffered in the past, particularly in farm income. The following comparisons are quite revealing.

The earning capacity of the farmer in 1972 was $7,500 a year; for a blue-collar worker, it was $10,000 a year; and for the white-collar worker it was $14,500 a year.

Twenty years ago the "market basket," as compiled by the Department of Agriculture, cost the average consumer $850. Today the same market basket, with the some ingredients, with the same content, cost $1,360. Now, during that course of time only 15 percent of the increase actually went for food. The remaining 85 percent went for storage, transportation, packaging, retailing, and other sundry costs.

Twenty years ago 23 percent of the consumers disposable income was used for food. Today 15.6 percent of disposable income is used for food. In that period of time, because of the efficiency, technology, and the mechanical ability of the farmers, they have saved the consuming public $53 billion, to be used for vacations, recreation, campers, boats, stereos—you name it. It did not go into the pockets of the farmers.

It was not too many years ago that Members of this House talked about a fuel crisis and an energy crisis, and no one paid any attention to them. It is inherent to the American makeup that no one worries about anything until the well runs dry. Today we have both.

There are people in this country today who are writing letters to the Secretary of the Treasury asking that food be federalized. How would the Members like to see food in this country declared a public utility?

Let me say this to the Members of the House—We cannot ask the farmers to continually produce more without making a profit. Since 1945, 23 million people have left the farms. Last year 39,000 farms disappeared from a production status.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. SCHERLE. Let me tell the Members what the farmers and the producers are up against today.

Mr. Chairman, millions of Americans watched the deliberate destruction of hundreds of thousands of baby chicks on television last week because farmers can no longer afford to raise them. This shocking spectacle may soon become commonplace—nor will it be limited to poultry alone. There are reports that bred sows are being sent to slaughter before farrowing for the same reason. Breeding meat-producing animals is fast becoming an unprofitable proposition because feed costs exceed the allowable selling price for meat. The price of feed has risen $18 a ton since the administration slapped on meat price ceilings 3 months ago, and the new freeze on all prices comes too late to ease the squeeze. Since the first of this year, pork producers' costs from farrow to finish have jumped more than $25 per pig. Cattlemen face cost hikes of more than $10 a hundredweight while poultrymen who stay in the market under present conditions would lose 15 cents for every dozen eggs produced, and 30 cents for each broiler chicken that goes to market. As long as production costs exceed permissible selling prices, stockmen will be forced to reduce their inventory. There is no question that the American consumer will soon feel the supply pinch. If the present trend continues, there will be few if any chickens to buy anywhere at any price. Pork and beef could soon join them on the housewife's list of endangered species.

Those who know and understand agriculture support a solution I have long advocated: the removal of any price ceiling on food. Wholesale and retail meat prices should be allowed to "float"; at a minimum, producers should be permitted to pass along any cost increases. However, the administration's top economic "experts" have convinced the White House to slap an embargo on two agricultural exports, soybeans and cottonseed. As usual, agriculture is bearing the brunt of the required adjustment. Producers are deeply concerned about the current shortage and want to insure ample domestic supplies, but not by imperiling the overseas markets developed over the years with such effort. This decision, which voids some existing export contracts, threatens not only our new commercial partners in the Communist bloc but also our old trading relationships with allies of long standing. Our credibility and reliability will be seriously called into question. This policy will also be disastrous to the balance of payments and could further weaken the American dollar overseas. Thus the brief life span of those pathetic baby chicks will have ramifications reaching far beyond their own unfortunate fate.

How can we expect these people to produce when prices are frozen and ceilings imposed, while the cost of feed and other items required to produce these commodities continue to increase?

I would advocate taking all ceilings off and give the farmers an opportunity to produce. At least this method would be equitable.

I ask the Members to support my amendment.

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

Mr. Chairman, I am very much inclined to support the amendment offered by the gentleman from Iowa (Mr. SCHERLE).

This bill is on its death bed. At most it has only a few weeks to live, in my opinion. I think we might as well give it the coup de grace right now, and this amendment would certainly do it. What we ought to do is come in with a reasonable farm bill with an entirely different concept. Public Law 480, and food stamps which I support should not be in the same package, anyway.

So I think the gentleman from Iowa (Mr. SCHERLE) has a great idea of one way to really kill this bill.

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

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

Mr. WYLIE. The word "parity" is being thrown around here a lot. This figure that is being offered by the gentleman from Iowa (Mr. SCHERLE) is $1.53 per bushel for corn or 70 percent of parity. I have made a quick calculation and have determined that this means that parity would be $2.19 for a bushel. I confirmed that parity today is $2.19 per bushel for corn with the gentleman from Minnesota (Mr. ZWACH).

What is parity? What does the word "parity" mean?

Mr. TEAGUE of California. Somebody is going to have to explain that who understands better than I. Let us ask the head of the Subcommittee on Feed Grains, Mr. FOLEY. I yield to Mr. FOLEY.

Mr. FOLEY. Mr. Chairman, I am sorry, but I did not hear the question.

Mr. TEAGUE of California. The gen-

tleman from Ohio wants an explanation of what parity is.

Mr. FOLEY. Parity is a rather complicated formula by which farm costs and prices are referred to a base here which is the base of 1912 to 1914.

Mr. WYLIE. Did I understand the gentleman to say 1912?

Mr. FOLEY. 1912 to 1914. I am sorry, 1910 to 1914. Costs and prices are adjusted at the present time relative to what they were in relation to costs and prices in that base period of 1910 to 1914. In other words, if we are talking about, let us say, the price of wheat, the cost of production as to prices would be the target price of $2.05, if accepted—70 percent of what the price would have been in relation to the costs of 1910 to 1914. It is something more complex than that. That is a rather simplistic explanation.

Mr. WYLIE. It is just as clear as mud. Apparently 1910 was a pretty good year.

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

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

Mr. FOLEY. I just want to advise the gentleman that on page 147, there is a discussion on parity.

Mr. WYLIE. I thank the gentleman.

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

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

Mr. FINDLEY. What surprises me about the proposal of the gentleman from Iowa (Mr. SCHERLE) is that he is just recommending here a guaranteed price of 70 percent of parity for his corn farmers, while another part of this bill guarantees 80 percent for dairy farmers. Why be a piker?

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

Mr. Chairman, earlier I got permission in the House to include in connection with my remarks a summary of agricultural laws as they would exist if we fail to pass new farm legislation. At this time I would like to read to you this summary:

SUMMARY OF STATUTORY PROVISIONS EFFECTIVE ON EXPIRATION OF AGRICULTURAL ACT OF 1970

The authority granted by the Agricultural Act of 1970 (P.L. 91–524, 84 Stat. 1378 approved November 30, 1970), extends only to the 1971, 1972, and 1973 crops. The outline which follows summarizes the statutory authority which will be operative in the event no Congressional action is taken to continue the provisions of the Agricultural Act of 1970 in effect beyond the 1973 crop of the commodities mentioned in the Act.

WHEAT

Under existing permanent legislation, Section 333 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1333) the Secretary is required to proclaim a national acreage allotment for wheat. The allotment is to be apportioned in the manner provided in that Act. In addition, under Section 332 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1332) the Secretary of Agriculture must determine prior to April 15 whether to proclaim a national marketing quota for wheat. If a national marketing quota for wheat is proclaimed by the Secretary, a referendum must be conducted among farmers to determine whether they favor or oppose marketing quotas for the year or years for which they have been proclaimed. Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336).

If wheat marketing quotas are proclaimed and approved by two-thirds or more of the farmers voting in the referendum, such quotas would be in effect; land-use penalties for failure to make mandatory diversion of acreage to approved crops would be payable under the provisions of Section 339 of the Agricultural Adjustment Act of 1938, as amended; and, a wheat marketing certificate program pursuant to Section 379c of the Agricultural Act of 1965 would also be operative. (7 U.S.C. 1339(a)(1), 1379c.)

Processors of wheat would be required to pay full value of domestic certificates and exporters of wheat the value of variable certificates determined, in part, by the world market for wheat.

Price support for wheat accompanied by domestic marketing certificates would be mandatory at a level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate. Price support for wheat accompanied by export certificates would be required at a level not more than 90 per centum of the parity price therefor as determined by the Secretary. Price support for wheat not accompanied by marketing certificates would be at a level not in excess of 90 per centum of the parity price therefor as determined by the Secretary, taking into consideration competitive world prices for wheat, feeding values of wheat, the relationship to feed grains, and the level at which price support is made available for feed grains. Price support may be made available only to cooperators as defined in Section 107 and, if a commercial wheat-producing area is established, only in such area. Section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a note).

If a national marketing quota is not proclaimed or if producers disapprove marketing quotas, price support shall be made available as prescribed in Section 101 of the Agricultural Act of 1949, as amended (7 U.S.C. 1441). Section 101 authorizes and directs the Secretary to make price support available to cooperators, if producers have not disapproved marketing quotas, at a level not in excess of 90 per centum of parity dependent upon the supply percentage as of the beginning of the marketing year. If producers disapprove marketing quotas, price support is available to cooperators at 50 per centum of its parity price.

The term "cooperator," is defined in Section 408(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1428(b)) as a producer who does not knowingly exceed his acreage allotment.

FEED GRAINS

No acreage allotments have ever been required by law for any feed grains except corn. In the case of corn, Section 330 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1441, note) provides that acreage allotments and a commercial corn producing area shall not be established for the 1959 and subsequent crops of corn.

Price support for 1974 and subsequent crops of feed grains would be available in accordance with Section 105(a) of the Agricultural Act of 1949, as amended. There would be no provision for price support payments or a set-aside program. Section 105(a) provides that price support must be made available to producers of corn at not less than 50 per centum nor more than 90 per centum of its parity price as the Secretary of Agriculture determines will not result in the increase of Commodity Credit Corporation stocks of corn. Price support would also be required to be made available by the Secretary of Agriculture on the 1974 and subsequent crops of oats, rye, barley, and grain sorghums at a level of the parity price of such crops as he determines is fair and reasonable in relation to the level at which the price support is made available for corn, taking into consideration the feeding value of the commodities in relation to corn and such other factors.

UPLAND COTTON

The determinations relating to a national marketing quota would be required to be made by the Secretary of Agriculture as provided in Section 342 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1342). Assuming that a marketing quota was determined, acreage allotments would then be required under Section 344 of that Act (7 U.S.C. 1344). In no event could the national acreage allotment be less than 16 million acres. A referendum of farmers engaged in the production of cotton to determine whether they favor or oppose marketing quotas would be required under Section 343 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1343).

Price support would be made available to cooperators on the crop if producers had not disapproved marketing quotas. Section 103(a) of the Agricultural Act of 1949, as amended (7 U.S.C. 1444(a)) would be operative with respect to the 1974 and subsequent crops of upland cotton. The level of price support would not be more than 90 per centum nor less than 65 per centum of the parity price of upland cotton as of the beginning of the marketing year as determined by the Secretary of Agriculture, taking into consideration the factors specified in Section 401(b) of the Agricultural Act of 1949, as amended (7 U.S.C. 1741(b)).

If producers disapprove marketing quotas price support would be made available to cooperators under Section 101(d)(3) of the Agricultural Act of 1949, as amended, at 50 per centum of parity. The Secretary would also have discretionary authority under Sections 103(a) and 101(d)(5) of the Agricultural Act of 1949, as amended, to make price support available to noncooperators at such level not in excess of the level of price support to cooperators as would facilitate the effective operation of the program. (7 U.S.C. 1441(d) and 7 U.S.C. 1441(a).)

In addition, the authority to sell and transfer cotton-acreage allotments will expire with the 1973 crop.

CCC MINIMUM SALES PRICES

In the absence of new legislation, after July 31, 1974, CCC may sell upland cotton for unrestricted use at not less than 105 per centum of the then current loan rate plus carrying charges.

Generally, under the provisions of Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), the CCC minimum sale price for wheat, feed grains and other commodities following expiration of the marketing year for the 1973 crops, will be 105 per centum above the then current support price for the commodity plus reasonable carrying charges.

SOYBEANS—COTTONSEED

Under the provisions of Section 203 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446d) if either cottonseed or soy beans is supported under that Act then the price of the other "shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market." This legislation—suspended for the 1971 through 1973 crops of cottonseed and soybeans—would again be effective if new legislation is not adopted.

BUTTERFAT

If no new legislation is enacted, mandatory price support for butterfat and the products of butterfat would again become effective. Under the provisions of Section 201(c) of the Agricultural Act of 1949, as amended, after March 31, 1974 (the end of the 1973–74 marketing year) the price of

whole milk, butterfat and the products of such commodities "shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply." (7 U.S.C. 1446 note.) Mandatory price support for butterfat and the products of butterfat was suspended by the Agricultural Act of 1970.

OTHER LEGISLATIVE AUTHORITY WHICH WILL EXPIRE

In addition to the foregoing provisions of law which will be in effect if no new legislation is enacted, a number of other authorities covered by the Agricultural Act of 1970 are scheduled to expire in 1973. These are:

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED—PUBLIC LAW 480—83D CONGRESS

Without new legislation, no agreements to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, 1973. (7 U.S.C. 1736c.)

MILK

Authority to transfer dairy products to military and veterans hospitals now available under the provisions of Section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a) will expire December 31, 1973. The dairy indemnity program conducted under Public Law 90–484, 82 Stat. 750 (7 U.S.C. 450j) will end June 30, 1973.

The dairy base plan provisions contained in the Agricultural Act of 1970 (7 U.S.C. 608c note) also terminate December 31, 1973, except for class 1 base plans issued prior to that date, but in no event shall any order issued extend or be effective beyond December 31, 1976.

WOOL INCLUDING MOHAIR

Unless the National Wool Act of 1974 (7 U.S.C. 1782 *et seq.*) is extended, mandatory price support for wool and mohair, and the authority to provide price support through payments, will expire on December 31, 1973. Thereafter, price support for wool would be discretionary with the Secretary under Section 301 of the Agricultural Act of 1949, as amended (7 U.S.C. 1447), and if price support is made available it would have to be through loans or purchases; payments could not be utilized.

MISCELLANEOUS PROGRAMS

Other programs also due to expire on December 31, 1973, in the absence of new legislation are the Beekeepers Indemnity Program, (7 U.S.C. 135b note), and the Crop Land Conversion Program (16 U.S.C. 590p (e)).

UNITED STATES HAD AND HAS AUTHORITY TO SELL COMPETITIVELY IN WORLD MARKETS

At this time when we need production and foreign exports to earn dollars we need to study these provisions which show that in some instances, they would be an improvement over the act before us in view of the amendments we have adopted because we would produce, supply domestic needs, and regain our foreign sales.

Also may I say that I brought together in volume 9 of our hearings a reprint of hearings our committee held in 1956 and 1957 where the Secretary of Agriculture at that time, Mr. Benson, and the present Secretary of Agriculture, Mr. Butz, agreed that the buildup of commodities in U.S. storage did not come from the operation of the law, but arose because our Government, through the Commodity Credit Corporation, refused to sell our commodities on the world market at competitive prices as authorized and contemplated by law.

Let me read you the hearings to which I refer:

DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1956

FRIDAY, JULY 29, 1955.

COMMODITY CREDIT CORPORATION

(Witnesses—J. A. McConnell, Assistant Secretary of Agriculture; Earl Hughes, Administrator, Commodity Stabilization Service; W. C. Berger, Associate Administrator, Commodity Stabilization Service; F. M. Rhodes, Director, Cotton Division, Commodity Stabilization Service; Preston Richards, Deputy Administrator, Price Support, Commodity Stabilization Service; Larry Manwaring, Deputy Administrator, Production Adjustment, Commodity Stabilization Service; Marvin McLain, Director, Grain Division, Commodity Stabilization Service; W. E. Underhill, Assistant to Deputy Administrator, Price Support, Commodity Stabilization Service; C. B. Howe, Grain Division, Commodity Stabilization Service)

Mr. WHITTEN. Gentlemen, the committee will come to order.

I would like for the record to show those who are in attendance from the Department.

We are pleased to have Mr. McConnell, Assistant Secretary of Agriculture, and his associates here.

SALES PROGRAM IN WORLD MARKET

Gentlemen, we asked you here to go over this Commodity Credit Corporation operation, particularly in connection with efforts that have been made to set up a sales organization within the Department and as to what the plans and programs you have set up have been.

Briefly, for the record, the Commodity Credit Corporation in its charter is authorized to sell commodities in world trade at any price; and this is necessary, in order to protect the Corporation and in order to retain for the United States its fair share of world markets. For some several years I, as well as other Members of Congress, have pointed this fact out in an effort to get action in this regard.

I would like at this point to have inserted in the record the language from our report on the Agriculture appropriation bill, where these facts were pointed out.

(The information is as follows:)

* * * * *

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to (1) support farm prices within the terms of the law and (2) protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price-support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a businesslike basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5(f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restriction on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to $10 billion to support farm commodities. At the present time, it has invested over $7 billion in such commodities. From this it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its (the people's) investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly $3.7 billion of such commodities have never been offered for sale abroad at competitive prices, and storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about $500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the President and Board of Directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result the Corporation is placed in the position of a "residual supplier." This is borne out by the following statement contained in a news release of the Department dated February, 1954:

"The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out."

While the price-support law fixes the domestic price of Comodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price-support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities

in world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the $588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about $224 million represents storage, warehousing and transportation costs and $102.9 million represents administrative, interest, and similar costs. Of this storage cost, $188 million covers storage on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of $3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for one year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee find that this $10 billion corporation, which now has over $7 billion invested, does not have a sales manager or a sales organization. Actually it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, Government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save Government money by selling to the highest bidder. Generally speaking the Corporation does not do that either at home or abroad. Almost 100 percent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling $500 million.

Certainly, the operating heads of this $10 billion corporation must realize that, with over $7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the charter itself gives unlimited authority to sell on such a basis.

The charter of the Corporation provides for a president and board of directors. These officials are—

Ezra Taft Benson, Director (Secretary of Agriculture).

True D. Morse, President (Under Secretary of Agriculture).

James A. McConnell, Director (Assistant Secretary of Agriculture).

Ervin L. Peterson, Director (Assistant Secretary of Agriculture).

Earl L. Butz, Director (Assistant Secretary of Agriculture).

O. V. Wells, Director (Administrator of AMS).

R. L. Farrington, Director (Solicitor of Agriculture).

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had "bartered," how much it had "granted" and how much it had "given away." He then discussed how much the "disappearance" was, and in an optimistic note commented on what the current year's "dispositions" will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

* * * * *

From the Department's testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a giveaway basis, CCC offerings in world trade are made at such a high pegged price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of production goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in 2 years. As pointed out earlier, due to such restrictions imposed this year alone, more than $55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of $1,000 or less reduced to around $900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and "know how." The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

* * * * *

Mr. WHITTEN. The Solicitor of the Department and the Secretary have agreed in hearings before this committee that such authority does exist.

PRESENT CONDITIONS IN AGRICULTURE

TUESDAY, FEBRUARY 26, 1957.

(Witnesses—Ezra Taft Benson, Secretary; True D. Morse, Under Secretary; Earl L. Butz, Assistant Secretary; Marvin L. McLain, Assistant Secretary; R. L. Farrington, General Counsel; Don Paardling, Assistant to the Secretary; Walter C. Berger, Administrator, Commodity Stabilization Service; Francis C. Daniels, General Sales Manager, Commodity Stabilization Service; F. Marion Rhodes, Director, Cotton Division, Commodity Stabilization Service; Howard J. Doggett, Director, Soil Bank Division, Commodity Stabilization Service; Robert P. Beach, Assistant Deputy Administrator, Operations, Commodity Stabilization Service; Ralph S. Roberts, Administrative Assistant Secretary)

Mr. WHITTEN. Gentlemen, I would like to ask the committee members that we adhere to the regular order in this hearing and let the chairman complete his line of interrogation. I have some definite points I would like to develop, after which the witness will be passed to Mr. Marshall and Mr. Natcher and to Mr. Andersen, Mr. Horan, and Mr. Vursell.

Mr. Secretary, I think that the committee has concluded that, since nothing is more important right now to agriculture than the overall policies of the Department and the activities in the Congress in connection with farm income and things of that sort, that we should have a special hearing on this phase of the Department's program at this time, rather than wait for your regular appearance on the 1958 budget.

Mr. BENSON. Mr. Chairman, I believe everybody has been handed a copy of a statement which is an attempt to cover the items which I understood that you wanted to discuss particularly, soil bank, the price support levels, which we have set, and the relationships between the two.

Mr. WHITTEN. Those are the major things that we should have in mind. I believe that we might delay the presentation of your statement briefly, so that I might develop some things that might not have had your detailed attention in it.

Mr. Secretary, it is no great secret that I have differed with your views in agriculture, as good Americans can, and that some members of this committee from both parties have seriously questioned the correctness of some of the views which you and your administration have had with regard to price supports.

PRICE SUPPORT CORRELATED TO FARM INCOME

Mr. WHITTEN. Mr. Secretary, in going over a review of your Department in the years that you have been Secretary, I notice that you have reduced price supports on cotton by 12 percent. You have reduced price support on cotton from 32 cents to approximately 28 cents. You have reduced price support on corn by 20 percent, on barley by 26 percent, on cottonseed by 33 percent, flaxseed by 25 percent, oats by 25 percent, rye by 21 percent, sorghum by 20 percent, soybeans by 21 percent, butterfat by 19 percent, and milk by 19 percent. That is the reduction that you have made in price-support levels during your tenure in office. During that same period, farm income has gone down something in excess of 20 percent. These figures are evidence of the soundness of myself and other members of the committee in the belief that the price received by the farmer is a very key factor in farm income. A comparison between the reduction in farm income from 1952 to 1957 and the reductions you have made in price-support levels during this period, certainly bear out such a conclusion.

In your advocacy of reduced price supports, you have always taken the view that to reduce supports would increase consumption. What evidence do you have that there has been any increase in consumption in these commodities that you have reduced?

RECOGNITION OF FARMERS' PLIGHT

Mr. BENSON. Mr. Chairman, you have raised several questions: First of all, in adjusting the price supports—there have been cases where we have also shown some increases—we try to look at each commodity and do what we think is best for that commodity, particularly in the long run.

Mr. WHITTEN. Do you mean that you consider what is best for the middlemen or do you mean the farmers who are engaged in producing the commodity?

Mr. BENSON. Our concern is for the farmer. Our major concern is for the farmer; I am sure you know that.

We recognize that one of the most serious depessing effects on farm income—in the last couple of years, particularly—has been the very heavy accumulations of surplus commodities in Government warehouses. Our career economists estimate that our surpluses have brought about a reduction of some 20 percent in the total farm income or about $2 billion. To pile up surpluses in Government warehouses, which in turn depress farm prices, is not helping agriculture.

So, we tried to set the supports at levels that would permit these commodities to flow into consumption. Then we put our emphasis on marketing, for which you have been very strong, Mr. Chairman. We put our emphasis on markets, the expansion of markets at home and abroad. We want to move these supplies into use rather than into Government warehouses, which are not a market. Once it gets there, only three things can happen to it; eventually it will have to move out into domestic markets or into foreign markets, or just stay there and accumulate storage charges until it spoils. So we have tried to set these supports at a level that will tend to promote orderly marketing and tend to permit these commodities to move into consumption.

SALE OF COMMODITIES IN WORLD MARKETS

Mr. WHITTEN. Mr. Secretary, I could buy that a little easier if the record did not show that for 3 separate years you had unlimited authority to sell these commodities in worldwide markets, that there were no restrictions whatsoever. Such statements will be found on page 99 of the CCC hearings in the 84th Congress, in 1956. Further evidence will be found on page 49 of the 1955 hearings, second session, in which you listed all the various commodities that you had responsibility for but flatly refused to offer in world trade on competitive basis.

I realize you took the view that other countries didn't have the money with which to buy our products. We had to correct that by showing that the foreign countries did have dollars.

The next argument that you made, as I recall it, was that the trade was opposed to these competitive sales. So we in turn had to have an investigation as to where the trade stood on this matter. Also, I believe there was some other argument as to the policies of the State Department. So we had the State Department before us. As I recall it, they testified that they had never opposed competitive sales, though they kept their hands in the Public Law 480 disposals.

Finally in 1956, for the first time, we got you to offer this cotton, because of the supply on hand. Yet for 5 straight years I was trying to get you to do the very logical thing of offering it for sale at competitive prices. It is my understanding from your reports that, once we got you to move, you sold about 6 or 7 million bales in 1956. If you had been offering that cotton for sale in 1954, 1955, and 1956, what is your judgment as to how much cotton you would have moved? What is your view as to how much of this 35 percent cut in cotton acreage that you visited on the cotton farmer could have been avoided? By your own survey, you showed that in 1955, 55,000 farm families were put off the farms in the South under the acreage reduction for cotton in that year. If you had offered this cotton, as you are authorized under law, for sale competitively during those 5 years, how much of this terrible situation would have been prevented?

Mr. BENSON. First of all, Mr. Chairman, I think it would be difficult to show that these people who have left the farm have done so because of our sales policy.

Mr. WHITTEN. It is not sales policy. It is lack of sales policy and your own survey said they were put off farms as a direct result of acreage cuts.

Mr. BENSON. Call it what you will, I am sure it is not due to policy or lack of policy, as you want to call it. In the case of cotton, there are a number of factors in the situation, as you well appreciate, I am sure. It is part of the trend that has been going on for many years in agriculture. The number of farmers has been declining. The greatest declines took place before this administration came into office, not due to Government policy but due to the play of economic forces. The great demand for labor in the cities at high wages, mechanization of agriculture, and many other factors have played a very important part in that trend. The trend is still going on, in a limited way.

PRICE SUPPORTS DO NOT AFFECT THE WORLD MARKET

Mr. BENSON. Of course, had we continued the high rigid support program, which would tend to dry up markets both at home and abroad——

Mr. WHITTEN. I want to take issue with you right there. Why would it dry them up abroad?

Mr. BENSON. Because our cotton was not priced competitively——

Mr. WHITTEN. All right. You set the price in world trade.

Mr. BENSON. And at home.

Mr. WHITTEN. I would like to ask you to answer my question. You said that the high support level dried up our markets abroad. You just agreed that you had authority to sell abroad competitively, regardless of support level. You agree to that, don't you?

Mr. BENSON. Yes, I think the authority is in the CCC Charter.

Mr. WHITTEN. Whatever the support level was, you had the authority to sell competitively. If foreign markets were being dried up, it was your own refusal to offer competitively. Would you not agree that, whatever your reasons for not doing it might be, that was the cause

Mr. BENSON. As a matter of fact, Mr. Chairman, I come back again to the point I made earlier, that I am sure it was not the intent of Congress that the CCC be the sole marketing agency in this country. We do not want Government monopoly in the handling of——

Mr. WHITTEN. Why treat cotton differently from the other 19 commodities you were already selling competitively prior to 1956.

Mr. BENSON. I do not know that we are treating it differently. We started on some earlier than others.

Mr. WHITTEN. You just heard your own folks say that on January 1, 1956 you were offering and had been for some time all 19 commodities except cotton.

Mr. BENSON. Certainly there was no disposition on the part of any of us to descriminate against any commodity. Of course, cotton is a world commodity. It is a very sensitive commodity, in some areas. You have the question of our relations with other countries to consider, which you don't have to the same degree in many of the other commodities which we sold.

Mr. WHITTEN. You mean that cotton, with the biggest reduction of any of them and the only commodity taking 2 straight years' reduction, is the only commodity that these international commitments and assurances and all that kind of thing tie into?

Mr. BENSON. It is not the only one, Mr. Chairman. It is one of the very important ones.

Mr. WHITTEN. Mr. Secretary, I feel so strongly about this, I hope you will accept my apologies in advance for seeming to be very much wrought up about it. But I would appreciate your answering my questions and I will give you any time you wish to qualify, modify or expand on your answers. But, may I again repeat the question: When you said that high support levels would in any way affect foreign sales, you were mistaken, unless you yourself withheld that commodity from foreign markets, because there was no limit on your ability to offer it in world trade competitively. Isn't that right?

Mr. BENSON. High supports?

Mr. WHITTEN. You are not answering.

Mr. BENSON. Yes, I will answer it. High supports, Mr. Chairman, would have the effect of pricing our cotton above world markets and to that extent would tend to dry up world markets, which has happened.

Mr. WHITTEN. I can't let that answer stand because it is a flat contradiction of the truth.

Mr. BENSON. Let me finish my answer. We could, however, under the charter of CCC, as I understand it, have stepped in as a government, and taken the commodity in and sold out at a much lower figure on a competitive basis.

Mr. WHITTEN. As authorized by the law?

Mr. BENSON. Yes, it was authorized by law.

Mr. WHITTEN. As you are now doing it?

Mr. BENSON. As we are now doing it.

Mr. WHITTEN. So, the support level would not have a thing in the world to do with your ability to offer these commodities competitively in world trade under any circumstances?

Mr. BENSON. It would unless we disregarded entirely the relationship of price supports to the whole operation and unless we eliminated from our thinking the possibility that the Government would become the only market for cotton and take over the whole operation. This would tend to dry up

our own private marketing machinery which I think is not good for agriculture.

Mr. WHITTEN. I think these 55,000 farm families were put out because you were giving attention to middlemen as against the farmer.

Mr. BENSON. There again, Mr. Chairman, we don't agree. I think that was not the major factor at all. The major factors are the ones I have mentioned.

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

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

Mr. TEAGUE of California. I should also like to call to my colleagues' attention the fact that in the Minority Report which we have filed on this bill we have attempted to do what the gentleman is also going to do.

Mr. WHITTEN. I am glad to know that, but, as the gentleman knows, the reports get scattered around and one cannot find a copy. I had to bring forth the 1956 hearings this year, because I seem to have the only copy which could be located. This will be carried in the CONGRESSIONAL RECORD and readily available to anyone.

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

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

Mr. FINDLEY. Would it be fair to interpret the gentleman's remarks, as meaning it would not be all bad if the Congress fails to pass a farm bill this year? We do have permanent law that would meet our needs?

Mr. WHITTEN. This I will say: There are several areas where we should probably pass new acts.

In connection with many of the basic commodities, it is my personal opinion, that under the existing law we would be much better off and the Treasury would be much better off. We could regain our foreign markets and correct the faulty policy which was followed some years back under the existing power and under the bill before us, but there are some areas where we would need to take some further action.

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

Mr. Chairman, when I was a boy on the farm we were taught to close the barn door when we saw the storm clouds coming. It is also too late to close the barn door after the horse is gone.

I say to all the Members that this is a good bill which was reported by the Agriculture Committee under the leadership of our experienced chairman and it has very valuable provisions in it for the benefit of America. I admit that I wrote additional views in the report in which I said the bill is deficient in some respects. I am hopeful that we can enact meritorious legislation to secure a reasonable level of income for producers without increasing the cost of living to consumers. Admittedly, this bill is deficient in respect to both the consumers and producers.

I intend to offer an amendment today that will sustain a level of income to producers without increasing the cost of living to consumers. That is the real economic problem we have in America today. We need increased production but we cannot afford to directly increase the cost of the commodities to consumers within the industry or otherwise. I will offer an amendment today and I am hopeful it will be supported by consumers and producers.

I have received many telegrams in the mail to inform me about what is happening across the country. Last week five meat packing firms closed and this morning 40 more are closed. If Members of this body do not agree that this is a serious problem then we should just continue the way we are with price ceilings on the wholesale and retail outlets of meat and the supply in the production pipeline will run dry.

In my supplemental views printed in the committee report, I expressed facts that are now reported daily:

It is impossible to eat fried chicken smashed in the embryo or suffocated in barrels—or to drink milk from slaughtered dairy cows, or to buy beef and purchase pork chops at the supermarkets at reasonable prices when breeding stock and foundation herds are untimely slaughtered.

More than 111,000 dairy cattle have been slaughtered since January of this year. That is more than twice as many as were killed last year for the same period of time. I think of the economic impact of that trend upon the American people today.

There is a way out. An exceptable food and fiber policy can be achieved. It is unfortunate that time did not permit us to explore all of the alternatives before we brought this bill to the floor—but we did not. Maybe we can perfect the proposed legislation before us. Certainly we have the duty and obligation to try.

Let me return to some of the articles that came in to me this morning. The following is representative of the communications that I have been receiving:

JULY 11, 1973.

Hon. FRANK E. DENHOLM,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. DENHOLM: For more than 100 days meat packers have been operating under a ceiling price freeze while their raw materials have remained free of federal intervention.

During 70 days of the freeze period, non-meat costs increased substantially, all of which had to be absorbed by the packers. Packaging materials, boxes, gas and other fuels, trucks and equipment have all increased substantially with no provisions for a pass through of these costs.

The demand for meat products is highly seasonal and under normal circumstances prices for wholesale and retail cuts vary substantially from season to season. (Prices for products not in demand are reduced in order to maintain an even flow of all cuts of beef and pork. Prices for other products are raised to offset the lower return from products with little demand.)

Since the advent of the freeze on meat prices on March 29, the meat industry has been prohibited from exercising its traditional pricing mechanism with the result that products in high demand are selling at abnormally low ceilings and other products of necessity, are being sold below ceiling.

While the meat industry has been laboring under price ceilings and while their non-meat costs have skyrocketed, other factors have also been working to the detriment of the meat packer—and the consumer.

Feed, equipment and operating costs have also increased for the cattle and hog producer and feeder. Although technically there are no ceilings on the price of raw agricultural products (livestock) in practice, the producers and feeders realize meat packers are limited in the price that can be paid and still stay in business.

Consequently, the livestock and meat industry is going out of business at an ever increasing rate. Livestock producers and feeders cannot raise red meat animals to a marketable weight and sell at a profit. Small cattle feeders are not restocking their feed lots. Commercial feed lots are replacing feeder cattle at much lower rates. Hog producers are getting out of the business at an alarming rate.

While pork production is down as much as 14% from a year ago, sow slaughter is up 2–3%. From 40% to 80% of the sows coming to market have been bred. This means that next winter's pork supply will not be born. As a result an even greater burden will be placed on an already short supply of beef.

Presently, beef production has been reduced 20% because meat packers cannot continue to lose up to $11 per head on all cattle slaughtered and continue to stay in business. Additional cutbacks in production are occurring as packers' earlier earnings are depleted.

Pork production has been reduced more than 20% and is dwindling rapidly. Hog prices have increased an average of $9 cwt since the March 29 freeze began. This has forced pork packers into a substantial lose position after a mediocre year in 1972.

The reduction in the production of beef and pork has necessarily resulted in reduced supplies of meat for the processed meat industry. Many manufacturers of luncheon meats have indicated they have raw materials to last through midweek but have little or no hope for supplies beyond that period.

Plant closings are increasing almost geometrically in rate. A week ago, there were only about 5 known plants that had closed. Today we know of 40 meat plants that have closed because of the price freeze. There are undoubtedly many more that we are not aware of.

A long as the meat price freeze is in effect, livestock production will decrease and meat production will decrease. Livestock men and meat packers cannot be expected to stay in business and operate at a loss. We do not believe that the Economic Stabilization Act was passed with this intent nor do we believe that any industry should be *forced* to operate at a loss—for even a day, much less for weeks and months.

Notwithstanding the deplorable financial situation of the meat industry as a result of the price freeze, the American Consumer is the big loser. Her opportunity to choose among a selection of meat products is rapidly diminishing. Within a few short months, she will no longer be able to go to the market and decide whether she wants to buy meat or what meat product she prefers. Soon she will have to stand in a queue and hope that there is still some meat available when she gets to the head of the line. The price will be low enough but the supply will be low also.

Is all of the foregoing a fairy tale? No, not a bit. It's a recitation of the hard facts resulting from the price freeze imposed on meat, March 29. The meat supply is becoming critical. Fewer products will be in the meat cases beginning this week Why? Because, the natural supply and demand economy of the livestock and meat industry was disrupted.

If the American Consumer is to have a choice of meat products in the future, the U.S. Government will have to get out of the price manipulation business. No producer nor packer will engage in the business if he does not have an opportunity to make a profit.

True, if price ceilings were removed today, meat prices would increase. But, the incentive to produce livestock would be encouraged and farmers who have gone out of the business would begin to produce again. Within two years, livestock supplies would be back to normal and on the increase. Meat prices would also seek a more reasonable level. And, equally as important, consumers would have a choice of which products to buy or not buy.

The time has come to abandon ill-advised, short-term goals and strive for realistic long-range objectives. The cure for meat prices may result in higher prices in the immediate future but will assure reasonable prices and adequate supplies in the years ahead.

We respectfully request you urge the President to remove price ceilings from all agricultural products, unprocessed and processed. You will be striking a blow for the consumer and the economy.

Very truly yours,

JOHN G. MOHAN,
Executive Vice President.

JULY 11, 1973.

FRANK E. DENHOLM,
House of Representatives Building
Washington, D.C.:

We urgently request your assistance in aid of the agricultural community, particularly the meat packers. During last week, 16 meat packers have closed with over 4,000 workers unemployed.

The current livestock market prices for live animals is in excess of 10 per cent above live weight prices at time ceiling prices established on dressed meat. Large number of packers are discontinuing production of those meat products with unrealistic ceiling prices. Our present labor contract has cost of living clause. Current increase largest in history of this company, and we are faced with restraints because there are no "pass through" provisions under the current imposed ceiling limits.

Livestock producers everywhere are skeptical about placing animals on feed due uncertainty of feed costs and marketing restrictions. Current hog slaughter records indicate sharp increases up to 31 per cent in number of sows slaughtered carrying pigs.

The American consumer must be fully informed of the worldwide shortage of protein and subsequently the rule of supply and demand will prevail, and the housewife will have to pay increased prices before production can increase and prices stabilize. The producers and meat packers must be given relief from the present squeeze or our nation will face severe meat shortages. We ask that you contact our company if you need additional information in this pursuit.

F. C. PIERCE II.

Mr. Chairman, I will offer an amendment with the hope that we can secure the economic interest of the producer without increasing the cost of living to the consumer. If we do not do that, we do not deserve the support of the consumer or the producers.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. DENHOLM. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Chairman, I had a group representing the meat purveyors in my office this morning, complaining about the fact that they have been cut back substantially and they would not be able to supply the hotels and summer resorts with the normal supply of meat. They were complaining about phase 3½.

Mr. DENHOLM. The problem is that consumer demand has increased the cost of beef so that dairy producers in the northeastern States are selling dairy cows. The kill market prices are up and dairy cows are sold for slaughter, because feed costs have increased to the extent that dairy farmers cannot sustain the cost-price squeeze.

Chickens in southern States, small chickens, are being killed by hundreds of thousands, because producers cannot afford to buy feed at the higher prices and continue production. The price freeze was the ultimate error that forced those inevitable decisions upon the producers.

Mr. O'NEILL. The whole problem works all the way along the line. The truth of the matter is that phase III is not working and the President ought to do something immediately.

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

Mr. DENHOLM. I yield to the gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Chairman, in answer to the question of the distinguished majority leader, the whole thing can be simplified by taking the ceilings off meat. That would cure the problems in this country.

Mr. DENHOLM. That is certainly correct, but we must also recognize that the policy for agriculture of this Nation that retains the principles of production controls and price supports that were appropriate 40 years ago are void in the changing times of the world today.

Consumers are justifiably weary of paying twice for essential food and fiber. First, in the policy of supply management and price supports, and second, at the grocery store and meat market for food on price levels difficult to reach, because of a series of public policy decisions that are wrong for all.

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

Mr. Chairman, I think the members of the committee should realize that the amendment offered by the distinguished gentleman from Iowa (Mr. SCHERLE) would necessarily involve the committee in decisions beyond the immediate amendment.

In the other body, the agriculture bill contained target prices of $2.28 for wheat, $1.53 for corn, and 43 cents for cotton. The administration recommended to the House committee on agriculture that its target prices be reduced to $1.84 in wheat, $1.26 in corn, and 35 cents in cotton.

The Committee on Agriculture reported this bill to the committee with figures in the middle of that range; $2.05 for wheat, $1.38 for corn, and 38 cents for cotton.

What the gentleman from Iowa (Mr. SCHERLE) proposes is to move the corn rate from the House Agriculture Committee position of $1.38 to a position of $1.53, 27 cents above what the administration itself recommended. Now, we heard yesterday from the distinguished minority leader and from the distinguished ranking minority member of the Committee on Agriculture that the administration might well veto this bill if the escalator clause was maintained. It was maintained by the committee. I want to advise everyone that the escalator clause is in the bill, and if we start with $1.53 for corn, we are going to have to be consistent, I suppose, and go to $2.28 for wheat and 43 cents for cotton.

With the escalator effect on top of the Scherle amendment starting with the crop year of 1975, I think it is fairly easy to surmise what the attitude of the administration to this amendment.

Indeed, they were strongly of the opinion that the House committee should have lowered the target prices substantially. I understand what the gentleman from Iowa has in mind. I can sympathize with his point of view.

Frankly, we had to reach some kind of a reasonable middle ground on target prices. That is what the Committee on Agriculture did. If we accept the amendment of the gentleman from Iowa, to go over to the target prices set by the other body, we will be in a completely impossible situation with respect to the administration's position. If there is any hope to obtain the President's signature it will disappear completely if this amendment is adopted.

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

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

Mr. WYLIE. A little while ago, in order to better understand what this amendment is all about, and the implications of it, I asked for a definition of the word parity; the gentleman gave me a definition, and I appreciate that. Several Members have come to me since then and have said that the definition which the gentleman gave was not quite accurate; that we went off the 1910 parity base some 25 years ago and that now parity is based on a 10-year moving average.

Mr. FOLEY. Yes.

Mr. WYLIE. Which I do not understand. I believe the difference of views as to the meaning of the word parity points up the difficulty many of us have in understanding exactly what you are talking about when you talk about parity.

Mr. FOLEY. The gentleman might not know that several administrations have been critical themselves, in the Department of Agriculture, of the use of the parity concept. I admitted, when I tried to discuss the issue with the gentleman briefly, that it was a simplistic explanation. It is a moving 10-year average which is intended to modify swift changes in the parity formula that might occur because of sharp rises and falls in prices. It is from my standpoint not the best tool to use to analyze the situation.

The escalator clause in the bill takes two price indices used in the parity, computation—one for cost of production and a separate one for taxes, wages and interest—and applies those in terms of a moving 3-year average to determine increases or decreases which are then applied in new target prices.

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

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

Mr. FINDLEY. I should like to join the gentleman in his position of opposition to the amendment. In addition to the very sound arguments he has made against it, I should like to add one more.

If the price of corn should be guaranteed at too high a level it would create a serious supply problem with soybeans, because the farmer simply will not plant soybeans if he is guaranteed too high a price for corn.

Mr. FOLEY. I thank the gentleman for his addition.

Mr. Chairman, I hope the amendment will be rejected.

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

Mr. Chairman, I have just heard a very disturbing report, that following the consideration of this amendment it will be proposed that the Committee cease considering this very vital legislation until some undetermined time in the future. I am told there will be a motion offered for the Committee to rise and the House will then turn to other matters. Then perhaps at some time in the future the leadership will get around to putting the farm bill back on the calendar so that we can reach a decision. I protest any such proposal to shunt this major legislation aside, because I happen to believe that the problems of agriculture are important enough to merit the continued carry through and attention of this body. They are important enough so that we should stay with our consideration of the bill until it is completed, even if that means working on it this afternoon and evening, tomorrow which is Friday and yes on Saturday, too, if that be necessary.

I hope that every Member in this Chamber who is in good faith concerned about carrying through on the hard work to get a farm bill which has been done not just in the past 2 days in this Chamber but in the 6 preceding months in the Committee on Agriculture will vote against such a motion for the Committee to rise which is in effect a motion to stall work on the farm bill. I say we should stay with the job, keep our hand to the plow, plow a straight furrow, and come out with a bill which will be in the best interest of the farmer and the consumer alike.

Mr. Chairman, I think the committee bill is still a very sound vehicle for that purpose. Just because some Members have not perhaps gotten their way on every vote that has taken place here in the last 2 days—and I myself certainly would have liked to have seen some different results—I do not think disgruntled Members should just pick up their marbles and vacate the scene by voting to rise after this amendment. I think we owe it to ourselves and to our constituents to continue working on this until the job is done. Nothing should be given greater priority today than the legislation now before us.

Nothing is more important today than passing a farm program production of which will facilitate the sufficient food for America at adequate, reasonable prices. The committee bill will do that.

So let us stay with it and get the job done, and let us not be diverted and thrown off the track by some scheme for postponement, the true motive for which is unrevealed. I can only speculate as to that motive, and I will not do that. But I will say to the Members that we have absolutely no assurance as to when, if ever, this bill on which we have labored so long and hard will be put back on the calendar.

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

Mr. MAYNE. I am happy to yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Iowa (Mr. MAYNE).

We have staked out a course; let us keep on sawing the logs and see if we can get this job completed.

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

Mr. MAYNE. I yield to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I also wish to urge strongly that we listen carefully to what the gentleman from Iowa has said. I want to say to this committee that the matter of producing food, the future of food production and agriculture and food consumption, is too important to shove under the table.

We must consider this most important of all matters, and the time to consider it is now.

Mr. MAYNE. Mr. Chairman, I am happy to have heard this concern for American agriculture expressed by my colleagues on my side of the aisle. I wonder if some Members over there on the majority side will not also want to express a little interest in keeping on with this job and getting it done.

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

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

Mr. SMITH of Iowa. Mr. Chairman, I am willing to stay here until Christmas if need be, but I want to point out that in the last 2 days we have heard time and time again that this bill is going to be vetoed if it is not written with every period and every comma as the administration wants it. The minority leader has said that, if we do not remove the escalator clause in the bill, the bill will probably be vetoed.

Mr. Chairman, it is time that we get some cooperation in getting a bill passed to serve the people of this country instead of the administration taking an inflexible position.

Mr. MAYNE. Mr. Chairman, I would respond to the gentleman by pointing out that we should be concerned with our own responsibility as Members of this House. Let us perform that first before we start blaming the President. Are we going to carry out our own responsibility of passing this bill, or are we going to look for some excuse to shift the buck to the executive branch so we can say we do not have to do anything, that we just can go home without acting? Let us stay with it. Let us do our job.

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

Mr. MAYNE. I yield to the gentleman from South Dakota.

Mr. DENHOLM. Mr. Chairman, I wish to join with the gentleman in his effort. I am willing to stay here and complete a farm program, regardless of how long it takes.

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

The amendment was rejected.

Mr. MICHEL. Mr. Chairman, yesterday I offered an amendment which would have phased out income supplement payments over the next 3 years and would have thereafter provided only for set-aside payments. Any such payments made in 1977 and thereafter would be made under a set-aside program based on total acres in major crops, rather than on a commodity-by-commodity basis as in the past.

I do not know whether we will have an opportunity to reconsider that amendment which had the support of 186 of my colleagues, but in any event I want to set the record clear on several questions which have been raised about its intent and purpose.

First, the distinguished committee chairman, Mr. POAGE, yesterday said that my amendment would "phase out all agricultural programs in the course of 3 years." Of course, he and I know this is not true.

In the first place my amendment deals with only one aspect of farm programs relating only to wheat, feed grains, and cotton—only three of a number of commodities covered by farm programs. It would not change agricultural programs for dairy, rice, soybeans, wool, peanuts, tobacco, sugar or any other commodity covered by some type of farm program legislation.

As I said, it would apply only to wheat, feed grains, and cotton—and for those commodities it would change only a couple of aspects of the program as we have known them.

First, income supplement payments—those payments made to farmers above and beyond what they would receive in the marketplace or under CCC loan—would be phased out over a 3-year period. No change would be made in the loan features of the bill as proposed by the committee. During the entire life of this bill, whether or not my amendment would be adopted, loan rates would be available on wheat at $1.49, corn at $1.19, and cotton at the average 3-year world price. I do not call that phasing out "all" agricultural programs.

Beginning in 1977 the Secretary of Agriculture would no longer have the authority to make income supplement payments, but he could and would be required to make set-aside or resource adjustment payments if certain conditions exist, such as a market depressing build-up of stocks of wheat, feed grains or cotton. And as I said before, those participating in such a set-aside would be eligible to put their crops under CCC loan at the rates I just mentioned.

So, I say again, my proposal is far from a nonprogram. It is a farm program which would focus on current performance rather than history. It would allow us to meet changing production needs without penalizing producers who have been tied to outdated, arbitrary quotas and bases. It is a farm program, which would provide economic returns to farmers from the market rather than from the pocket of the U.S. taxpayer.

During debate on this bill, I have heard many comments comparing guarantees for labor with guarantees for farmers. I believe my proposal brings these comparisons into perspective. If my proposal becomes law minimum prices in the form of loans would be available just as minimum wages are available to workers. Under my proposal, in the event we had excessive, market-depressing production of a commodity we could pay farmers to make a resource adjustment. I like to compare this feature of my proposal to unemployment compensation which provides resource adjustment payments to workers in times of a drop in the demand for their services.

I believe my proposal is fair and equitable to farmers, workers, consumers, and taxpayers. If we have an opportunity to give it further consideration, I hope each of you will see clear to lend your support.

Now, for those of my colleagues who are interested in more detail about how the cropland adjustment program would work in 1977 under my amendment, I hope this following explanation will be helpful.

This proposal would, beginning in 1977, eliminate allotments and bases for upland cotton, wheat, feed grains, and conserving bases. Set-aside would not be directed at a specific commodity. The amount of set-aside on each farm would be a specified percentage of the total acreage of major crops plus set-aside—cropland base—on the farm in preceding years. Farmers would determine their bases in the future by what they plant in the preceding years. The payment rate for set-aside would be set at a level high enough to obtain the desired level of participation. Also in order to obtain uniform participation from producers of feed grains, wheat, and upland cotton, the rate would reflect value of production in various producing areas.

Payment rates for each county would be established as follows:

First, a per acre payment rate for each of the following commodities would be established: corn, grain sorghum, barley, oats, rye, wheat, upland cotton, soybeans, and such other major crops as specified by the Secretary. Quota, sugar, vegetable, and minor crops would be excluded. This rate would be established on a per bushel or per pound basis representing approximate per unit value of crop less direct production costs.

Second, this payment rate would be multiplied by the 1976 payment yield for cotton, wheat, and feed grain and a 5-year average yield for other crops to determine a county per acre payment rate for each crop.

Third, the payment rate for all of these commodities would then be blended into a composite rate by using as weights the harvested acreage for each of these crops in preceding years.

Fourth, farm payment rates would be established for each cropland farm in each county by the county committee considering the value of crops produced and productivity.

In order to participate in this program, a producer would be required to set aside from production an acreage of cropland equal to a specified percentage of his cropland base.

First, the cropland base would not serve as a production constraint in the current year. It would be used solely to determine the acreage of set-aside in the current year.

Second, conserving bases would be eliminated. Set-aside, if needed, would be of average productivity and devoted to a vegetative cover as prescribed by the Secretary.

The required set-aside percentage for the current year would be based upon the best estimate of total acreage required to be removed from production in order to keep supplies in reasonable balance with demand.

There would be no income supplement payments—only set-aside or land rental payments.

Eligibility for loans on corn, grain sorghum, barley, oats, rye, wheat, and upland cotton would be conditioned upon participation in the set-aside program.

MOTION OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas (Mr. POAGE).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 325, noes 67, not voting 41, as follows:

[Roll No. 334]

AYES—325

Abzug	Burleson, Tex.	Erlenborn
Adams	Burlison, Mo.	Esch
Addabbo	Burton	Eshleman
Alexander	Butler	Evans, Colo.
Anderson, Calif.	Byron	Evins, Tenn.
	Camp	Fascell
Anderson, Ill.	Carey, N.Y.	Flood
Andrews, N.C.	Carney, Ohio	Flowers
Andrews, N. Dak.	Casey, Tex.	Flynt
	Cederberg	Foley
Annunzio	Chamberlain	Ford, Gerald R.
Archer	Chappell	Forsythe
Arends	Chisholm	Fraser
Armstrong	Clancy	Frelinghuysen
Ashley	Clark	Frey
Aspin	Clausen, Don H.	Fulton
Bafalis		Fuqua
Baker	Clawson, Del	Gaydos
Beard	Clay	Gettys
Bell	Cochran	Giaimo
Bennett	Cohen	Gibbons
Bergland	Collier	Gilman
Bevill	Collins, Tex.	Ginn
Biaggi	Conable	Gonzalez
Biester	Conlan	Grasso
Bingham	Conyers	Green, Oreg.
Boggs	Corman	Green, Pa.
Boland	Cotter	Griffiths
Bolling	Coughlin	Grover
Bowen	Crane	Gubser
Brademas	Daniel, Dan	Gude
Brasco	Daniels, Dominick V.	Gunter
Bray		Guyer
Breaux	Davis, Wis.	Haley
Breckinridge	de la Garza	Hammer-schmidt
Brinkley	Delaney	
Brooks	Dellenback	Hanley
Broomfield	Dingell	Hanna
Brotzman	Donohue	Hanrahan
Brown, Calif.	Drinan	Hansen, Wash.
Brown, Mich.	Dulski	Harrington
Brown, Ohio	Duncan	Harsha
Broyhill, N.C.	du Pont	Hastings
Broyhill, Va.	Eckhardt	Hays
Buchanan	Edwards, Ala.	Hébert
Burgener	Edwards, Calif.	Hechler, W. Va.
Burke, Mass.	Eilberg	Heckler, Mass.
Helstoski	Mitchell, Md.	Sisk
Hicks	Moakley	Slack
Hinshaw	Mollohan	Smith, N.Y.
Hogan	Montgomery	Snyder
Holifield	Moorhead, Calif.	Stanton, J. William
Holt		
Holtzman	Moss	Stanton, James V.
Horton	Murphy, Ill.	
Hosmer	Murphy, N.Y.	Stark
Howard	Myers	Steed
Hudnut	Natcher	Steele
Hunt	Nedzi	Steelman
Ichord	Nichols	Stokes
Jarman	Obey	Stratton
Johnson, Pa.	O'Hara	Stubblefield
Jones, Ala.	O'Neill	Stuckey
Jones, N.C.	Owens	Studds
Jones, Okla.	Passman	Sullivan
Jones, Tenn.	Patman	Symington
Jordan	Patten	Talcott
Karth	Perkins	Taylor, Mo.
Kastenmeier	Peyser	Taylor, N.C.
Kazen	Pickle	Teague, Calif.
Keating	Pike	Teague, Tex.
Ketchum	Poage	Thompson, N.J.
King	Podell	Thomson, Wis.
Kluczynski	Powell, Ohio	Thornton
Koch	Preyer	Towell, Nev.
Kuykendall	Price, Ill.	Treen
Kyros	Price, Tex.	Udall
Landrum	Pritchard	Ullman
Latta	Quillen	Van Deerlin
Leggett	Randall	Vander Jagt
Lehman	Rangel	Vanik
Lent	Rarick	Veysey
Litton	Rees	Vigorito
Long, La.	Regula	Waggonner
Long, Md.	Reid	Waldie
Lott	Reuss	Walsh
McClory	Riegle	Ware
McCloskey	Rinaldo	Whalen
McCormack	Roberts	White
McDade	Robinson, Va.	Whitehurst
McEwen	Rodino	Widnall
McKay	Roe	Wiggins
McKinney	Rogers	Williams
Macdonald	Roncalio, Wyo.	Wilson, Bob
Madden	Roncallo, N.Y.	Wilson, Charles H., Calif.
Madigan	Rooney, N.Y.	
Mahon	Rooney, Pa.	
Mann	Rose	Wilson, Charles, Tex.
Maraziti	Rosenthal	
Martin, Nebr.	Rostenkowski	Wolff
Mathias, Calif.	Ruppe	Wright
Mathis, Ga.	Ruth	Wyatt
Matsunaga	Ryan	Wydler
Mazzoli	St Germain	Wyman
Meeds	Sarasin	Yatron
Metcalfe	Sarbanes	Young, Alaska
Michel	Saylor	Young, Fla.
Milford	Schneebeli	Young, Ga.
Mills, Ark.	Schroeder	Young, Ill.
Minish	Seiberling	Young, Tex.
Mink	Shipley	Zablocki
Minshall, Ohio	Sikes	Zion

NOES—67

Abdnor	Heinz	Robison, N.Y.
Ashbrook	Henderson	Roush
Barrett	Hillis	Roy
Blackburn	Huber	Runnels
Burke, Fla.	Hungate	Sandman
Cleveland	Hutchinson	Scherle
Conte	Johnson, Colo.	Sebelius
Cronin	Kemp	Shoup
Culver	Lujan	Shriver
Daniel, Robert W., Jr.	McCollister	Shuster
	Mallary	Skubitz
Davis, S.C.	Martin, N.C.	Smith, Iowa
Denholm	Mayne	Spence
Dennis	Mezvinsky	Staggers
Derwinski	Miller	Steiger, Ariz.
Devine	Mizell	Steiger, Wis.
Dickinson	Mosher	Symms
Findley	Nelsen	Thone
Froehlich	Nix	Winn
Goodling	O'Brien	Wylie
Gross	Parris	Young, S.C.
Hamilton	Quie	Zwach
Hansen, Idaho	Railsback	

NOT VOTING—41

Badillo	Ford, William D.	Mitchell, N.Y.
Blatnik		Moorhead, Pa.
Burke, Calif.	Fountain	Morgan
Carter	Frenzel	Pepper
Collins, Ill.	Goldwater	Pettis
Danielson	Gray	Rhodes
Davis, Ga.	Harvey	Rousselot
Dellums	Hawkins	Roybal
Dent	Johnson, Calif.	Satterfield
Diggs	Landgrebe	Stephens
Dorn	McFall	Tiernan
Downing	McSpadden	Wampler
Fish	Mailliard	Whitten
Fisher	Melcher	Yates

So the motion was agreed to.

The result of the vote was announced as above recorded.

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.

RE-REFERRAL OF S. 645 TO COMMITTEE ON EDUCATION AND LABOR

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill S. 645 and that it be re-referred to the Committee on Education and Labor.

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

There was no objection.

AMENDING THE SMALL BUSINESS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 485 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 485

Resolved, That upon the adoption of this resolution it shall be in order to move that tne House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8606) to amend the Small Business Act, and all points of order against section 4 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may nave been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8606, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 1672, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 8606 as passed by the House.

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

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

Mr. Speaker, this resolution provides for an open rule with 1 hour of general debate on a bill to amend the Small Business Act, H.R. 8606. There is a waiver of points of order on one section, under clause 4 of rule XXI. There is a new rate formula requiring refinancing appropriations. It is a waiver on only that one section of the bill, under clause 4 of rule XXI.

There is no point in going into a discussion of the content of the bill. I know of no opposition to the rule, and I gather there was little, if any, opposition to the bill it makes in order, because I believe it came out of the Committee on Banking and Currency by a unanimous vote.

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

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

Mr. Speaker, I agree with the statements just made by the gentleman from Missouri (Mr. BOLLING) about this rule.

Mr. Speaker, I should like to take this time to commend the committee for reporting this legislation in the form it did. I am particularly concerned over the provisions of section 6, on erosion assistance. As everybody knows, we have had a lot of erosion damage along the Great Lakes, and we have been excluded by virtue of the Small Business Administration Act as it now stands from applying for assistance for erosion. Under this bill they are now adding erosion assistance to the Small Business Act. I wish to commend the committee for this action.

This bill also provides several other amendments to the present law. For example, under present law, disaster victims receive disaster loans at a 5-percent interest rate with no forgiveness feature. This bill provides that disaster victims, at their choosing, could obtain a loan with a $2,500 forgiveness feature and finance the balance at 3 percent or they could choose a loan with no forgiveness feature and finance the entire loan at a 1-percent interest rate. This disaster provision would be retroactive to April 20, 1973, and would terminate on July 1, 1975. In order to avoid a windfall in situations where an existing mortgage was refinanced, the bill provides that payments after the disaster assistance could not be lower than the payments prior to the disaster.

Other sections in the bill add new disaster assistance categories, first, to provide assistance to livestock producers whose businesses suffer because of disease among the animals, and second, to provide assistance to small business seriously affected by the closing of a military installation in the community served by the small business. These loans would be made at an interest rate based on the cost of money to the Government plus one-quarter of 1 percent.

The bill also includes sections prohibiting discrimination because of sex, and giving special preference to veterans.

The committee report estimates that there is no cost in carrying out the first section of the bill, because this section merely increases loan ceilings, but does not provide any additional funds. The other loan programs in the bill all bear interest rates above the cost of the money to the Government. Because of the impossibility of forecasting disasters, the committee concludes that it is impossible to estimate the cost of the physical disaster relief provisions.

Mr. Speaker, I urge the adoption of House Resolution 485 in order that the House may begin debate on H.R. 8606.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8606) to amend the Small Business Act.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8606, with Mr. WALDIE in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. J. WILLIAM STANTON) will be recognized for 30 minutes.

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

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

Mr. Chairman, H.R. 8606 was reported from the Banking and Currency Committee on a 31 to 0 vote. It is a much needed piece of legislation, and unless it is enacted, it will mean that the Small Business Administration will have to cease its lending and guaranteeing activities as soon as it reaches its presently authorized ceiling of $4.3 billion. It is expected that the ceiling will be reached in the late part of August.

The Small Business Administration is presently celebrating its 20th year of operation. During that period it has made more than 600,000 loans for some $12 billion. SBA's loan and procurement programs have helped create and maintain more than 1 million jobs.

These are indeed impressive figures and in order to continue the record the House should pass H.R. 8606 in its entirety.

While there may be some who disagree with the provisions of section 4, the new provisions for relief to disaster victims, it must be remembered that the people who will be aided under this section are those who in many cases will have to rebuild not only their homes but their lives as a result of some tragedy such as Hurricane Agnes.

While the 20-year history has been a record-setting one, it is clear that the agency in the past few years has been growing at its fastest rate. In 1972, for instance, SBA approved a record 230,000 loans to small businesses and in natural disaster emergencies for more than $13.1 billion. It was an increase of 91 percent in volume and 89 percent in dollars over

1971. This 12-month period alone represented 26 percent of the total funds loaned or guaranteed since the agency was created by Congress in 1953. And one final figure. Loans to small businesses during the 4-year span 1969–1972 were more than $4.7 billion or 50 percent of all business loans made by the agency in its 20-year history. With this type of rapidly moving program it is necessary that SBA be given the proper tools with which to do its job. This is the reason why the ceiling increases in H.R. 8606 are for a 2-year period rather than a 1-year period as has been done for the most part in the past.

While it is indeed pleasing to see that SBA has been setting records for those programs, at the same time, I must express an ever-deepening concern that the agency is moving away from a direct loan operation into a guaranteeing authority for bank loans. SBA was established by the Congress as a direct lender. Although the agency was given guarantee authority, it was never anticipated that guarantees would outnumber direct loans. For instance, during 1965, SBA's direct loans accounted for roughly one-half of SBA's loan total. During 1972, however, direct loans accounted for less than 2 percent of SBA's total. Instead of working toward reversing this trend, SBA has sought to perpetuate it especially since there has been no increase in funds sought for direct loans for the next 2 fiscal years.

The lack of a direct loan program is particularly burdensome to small businessmen in capital deficit areas of our country. In those areas many banks will not participate in a Small Business Administration loan, thus eliminating a small businessman from taking advantage of virtually the only SBA loan program available to him. The only solution to this problem is for SBA to return to the principles under which it was founded and that is that it operates as a direct lending agency.

Mr. Chairman, in conclusion, I want to commend the Small Business Subcommittee and its distinguished chairman, the gentleman from Georgia, for the outstanding manner in which this bill has been handled. I urge its speedy enactment.

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

Mr. PATMAN. I am glad to yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, 20 years ago this month, Congress created the U.S. Small Business Administration. One of the primary objectives of the Congress in creating the agency and one of the chief responsibilities given the SBA is to help small firms obtain financing on reasonable terms.

Over the two decades of service to small business, the SBA has helped small firms obtain financing on reasonable terms.

Over the two decades of service to small business, the SBA has helped small firms obtain some nine billion dollars in financing.

Over half of that total $4.7 billion has been made available to small business in the last 4 years alone.

This attests to the growth in the small business community, the increased demand for SBA assistance and the continuing need small firms have for adequate financing.

At the present time and chiefly because of the increasingly demand, the SBA portfolio is rapidly approaching the $4.3 billion ceiling established by Congress as the total loans the agency may have outstanding at any time.

Section 1 of H.R. 8606 would raise this ceiling to $6.6 billion and according to official SBA estimates, carry the agency through fiscal year 1975.

I urge adoption of the bill in its present form.

Mr. GONZALEZ. Mr. Chairman, I want to call the attention of my colleagues to a small but very important provision of section 1 of H.R. 8606 calling for an increase in the total amount of money the Small Business Administration may have outstanding at any time in its economic opportunity loan program.

My colleagues recall that title IV of the Economic Opportunity Act of 1964 provided that the SBA could make loans to socially and economically disadvantaged persons in order that these people have the same opportunity as others to share in the American free enterprise system.

Since 1964, SBA has each year increased the volume of economic opportunity on EOL loans to the socially and economically disadvantaged. Last year marked another new statistical record in that SBA made 9,500 loans for $309 million to members of minority groups and the major share of both the numbers and dollar volume were made under the EOL program.

Section 1 of H.R. 8606 provides for an increase of $125 million—to $475 million from the present limit of $350 million—the SBA may have outstanding in EOL loans. The continuing demand for this type loan added to the fact Congress last year raised the limit on an individual EOL loan from $25,000 to $50,000, requires our favorable consideration of this provision.

I urge we adopt without change H.R. 8606.

Mr. ANDERSON of California. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. ANDERSON of California. Thank you, Mr. Chairman—I am in support of the bill—but I am a little bit disturbed about the vagueness of section 7 that provides for loans for adjustment assistance in military base closings. My concern is this: I can understand how they determine this assistance in a relatively small community where the impact of the installations closing is easily definable, but in my area, the closing of the Long Beach naval base, which is in a large metropolitan area, or the Hunters Point closing in San Francisco makes this determination much more difficult.

The language of the section reads:

(7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation.

How will the administration determine that loans should be granted in these metropolitan areas—and that the "disaster" affecting the business is the direct result of the closing of the base?

Mr. PATMAN. They have guidelines for that purpose which are rather definite and have been satisfactory in the past. I would not like to discuss it at this moment, because it will be discussed by other Members and will be discussed further when we get under the 5-minute rule.

Mr. ANDERSON of California. This will be brought out at that time?

Mr. PATMAN. Yes, sir.

Mr. ANDERSON of California. Thank you, Mr. Chairman.

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall not reiterate in detail the purpose and provisions of H.R. 8606, which makes significant and needed amendments to the Small Business Act. The gentleman from Texas, chairman of the Small Business Committee, has already presented a thorough explanation of this bill.

With the exception of one provision, section 4, there is nearly unanimous agreement among the committee members on the entire bill. The increase in loan and commitment ceilings, and the broadening and consolidation of disaster loan qualifications, as well as the new emphasis on availability of loans for women and veterans, are all necessary and forward-looking provisions. They speak to the needs and objectives of American small business and greatly improve the ability of the Small Business Administration to fulfill its mission.

However, the point at which I must depart from the committee's action is with regard to the proposed change in the terms of disaster loans. I would bring to my colleagues' attention at the outset that the only committee vote which has been mentioned is the vote on final passage, 31–0. However, on the amendment to strike section 4 in the full committee, the vote was very close—13 voting to strike, 16 voting to keep in this modification to the disaster loan terms.

I believe that the minority views express fully the reasons for opposition to section 4. I would just like to review the high points of that statement without going into unnecessary detail—they are four in number.

First, the Congress acted just this past April to standardize disaster loan terms and delete the various forgiveness and excessive interest rate subsidies from this program.

Second, the question of cost has been bandied about with little claim of accuracy. While the committee suggests that an estimate of cost is impossible,

we can use two factors in determining future costs: SBA's recent experience and projected additional expenses of the increased subsidies.

Earlier this week, the Office of Management and Budget supplied specific figures indicating what these costs would be. Last year, these loans totaled $1.5 billion. The additional cost over present terms for that loan level would exceed $500 million; or stated another way, the cost to the taxpayer would be greater than $35 million in lost repayments for each $100 million in loans.

Third, the effect on future, unidentified disaster victims is claimed to be a hardship. At present, the 5 percent loans to be supplied to them would represent a substantial benefit both in terms of availability and interest costs. Contrary to the committee's assertion that inequities would result if any but the most liberal terms were afforded for all time, I can only submit that this is a specious argument at best. Extraordinary circumstances were met last year, a termination date was set, and we are now providing an authorization for the future which should remain within the realm of reasonableness. When the cost to the taxpayer is measured against the giveaway nature of the committee provision, we must reach the conclusion that section 4 is beyond this bound.

Fourth, there is presently pending before the Committee on Public Works the proposed Disaster Preparedness and Assistance Act of 1973 (H.R. 7690) which provides a complete relief program rather than a piecemeal approach to assistance of disaster victims. We should not act at this time to cloud this issue any further, but, rather, look to this comprehensive proposal for a comprehensive solution.

I believe that with the changes recently enacted (Public Law 93–24) the present law satisfies the economic needs of disaster victims.

At the appropriate time, I shall offer an amendment to strike section 4 from the bill.

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

Mr. J. WILLIAM STANTON. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr Chairman, I am interested in the provision in the report having to do with erosion assistance. I want to compliment the committee on addressing itself to this problem of erosion. I think that it will be very helpful to have erosion specifically covered in the law which will permit the Small Business Administration to make loans based upon erosion damages.

Mr. Chairman, I would like to ask the gentleman from Ohio if my understanding of what is stated with respect to section 6 is correct.

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

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself 2 additional minutes.

Mr. HUTCHINSON. Mr. Chairman, the statement, as I understand it, is that for the most part the SBA should exercise caution to make certain that the erosion damage covered was caused by a spontaneous act such as a flood or high water, and so on. But then the statement goes on to say that in cases of erosion occurring naturally from day-to-day causes, the committee expects the SBA to provide assistance for which there has been demonstrated an effort to control the erosion. In other words, if somebody came along and wanted to get some erosion assistance, and it was not due to any particular storm, he would have to show that he had gone to the expense of building a seawall or something, and then if that erosion control device did not hold, then could he get assistance?

Mr. J. WILLIAM STANTON. First of all, let me say to the gentleman from Michigan I am very delighted that he brought this particular subject of erosion up, because later on it is my understanding there will be an amendment offered to strike this word "erosion" from the bill.

When our committee took this under consideration, this was language that is in the present Senate version of this SBA reauthorization. We in this committee added this language that you see in the committee print, for two reasons. First of all, no money would be available for erosion or for flood, and so forth, unless it were under two circumstances: either the President or the SBA Director must authorize that emergency loans could be given for a particular flood or for a particular storm. What bothered the committee in the discussion of erosion, which, as the gentleman knows, and I know, along the Great Lakes is an ongoing proposition year after year and month after month—was that the committee felt that in all fairness, and in order to make sure that this bill not be vetoed, we should tighten up our definition of erosion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield myself 4 additional minutes.

It was my understanding, and this is why I would probably oppose the amendment, but if we could clarify in the language that primarily when a disaster is declared, and when a person, say, builds a breakwall and that breakwall is for erosion purposes, and that breakwall or stone or concrete frontage, or such in front of a house, has been destroyed by that storm, then he would be eligible for partial repayment of money to replace it.

The next house, however, down the way who did nothing himself to prevent erosion would probably be disallowed from receiving that particular payment of money to build an erosion breakwall.

Mr. HUTCHINSON. In other words, the man who had done nothing previously could get nothing now?

Mr. J. WILLIAM STANTON. That is what I should like to see. This is my own personal view, because otherwise if you have an open or broad approach to this subject, everybody else, not only in the Great Lakes but in every other part of the country who realize this is very definitely a serious problem, would have an open door to countless hundreds of millions of dollars.

Mr. HUTCHINSON. In any case, whatever assistance might be granted would first have to be based upon a declaration of emergency arising out of a particular storm?

Mr. J. WILLIAM STANTON. No. 1, in my opinion, that is correct. No. 2, and equally or more important, there must have been some self-help by that person for erosion purposes before he could apply for a loan.

Mr. HUTCHINSON. I thank the gentleman from Ohio.

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

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. I think we should congratulate and thank the gentleman from Michigan for raising the point at hand. The way the language appears in the bill before us, it is unclear. Without this amendment it might put undue pressure on the SBA Administrator, as some of us have seen, say, in the earthquake situation in California, where a man received help for replacing his exotic trees, under the forgiveness clause.

In a similar vein we have the same problem with a rather loose definition in this bill under Section 6 which does not make it as definitive as to what "erosion" is under a disaster as does the language of the report. I think the gentleman from Michigan is absolutely correct. If I had my way, I really believe we should, if we could—and I know we discussed it in the committee—make the language even more definitive than it is in the bill itself. I intend to offer such a clearifying amendment.

That is to make sure that the intense pressure is not put on the Small Business Administration for erosion that is not directly connected with a major disaster of some kind.

Mr. J. WILLIAM STANTON. I think as I said earlier the gentleman from California claims to at least be talking about an amendment that would be striking this from the bill. I would have to oppose that. First of all it does have to be under the basic provisions of the SBA Act which would mean there would have to be declared a disaster by the President or SBA. Secondly if we could make the intent of the law to be for self-help if that person has already built erosion protection and spent his money, then under this act replacement money would be available for that. But if a man has gone on for years and years and has done nothing he cannot step in under this. I think the gentleman from California would agree with me this should be tightened up.

Mr. ROUSSELOT. Yes. And also there are other ways in which a man can get erosion problem assistance under the Agriculture Act and in other ways that are much more precise as they relate to prevention of long-range problems of erosion.

Mr. J. WILLIAM STANTON. That is correct.

Mr. ROUSSELOT. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Georgia (Mr. STEPHENS), the

chairman of the subcommittee, who prepared this bill for the floor.

Mr. STEPHENS. Mr. Chairman, I will describe the general provisions of H.R. 8606. The full provisions are set out in the bill, of course, and in the committee report.

Section 1 of the legislation increases from $4.3 billion to $6.6 billion the amount of money that the Small Business Administration may have outstanding at any time in its loan and guarantee program. This section also increases the various subceilings for SBA lending programs. It is estimated SBA will reach the $4.3 billion ceiling by the end of August of this year and unless this legislation is enacted the Small Business Administration lending programs will have to be curtailed at that point. This section does not appropriate any new funds for SBA but merely allows the agency to spend funds when they are obtained.

I will also point out to the Members that in a similar bill passed by the other body this same figure is in that bill.

Section 2 of the legislation consolidates several existing SBA loan programs and provides that if Congress enacts new standards for small businesses such as the Occupational Health and Safety Act of 1970 or the Coal Mine Safety Act of 1969, the SBA will make loans to small businesses that must comply with these new requirements.

Section 3 contains only technical amendments.

Section 4 provides a new program for physical disaster assistance. At present loans made by SBA to victims of national disasters are made at the rate of 5 percent without any forgiveness feature, but prior to April 20 of this year these loans were made at 1 percent interest with a $5,000 forgiveness feature. The proposal in this bill would provide the borrower with an alternative. Instead of $5,000 at 1 percent and $5,000 forgiveness, he could obtain a loan with a $2,500 forgiveness feature and finance the balance of the loan at 3 percent interest, or the borrower could have an alternative and obtain a loan with no forgiveness, in the amount of $2,500 and pay a 1-percent interest rate. These provisions would be retroactive to April 20 of this year and would run for 2 years.

This provision is included in the legislation so that Congress may adopt a long-term, totally comprehensive disaster loan program. Several bills to accomplish this are currently before the Congress coupled with various disaster and insurance programs.

However, while these programs are being worked out, I feel that there must be relief provided to disaster victims at reasonable terms which will enable them to pick up their lives and businesses following tragedies such as floods, earthquakes, hurricanes and other similar disasters. I recognize the fact that the Congress did provide disaster assistance programs this past spring which are different from the benefits here, but there is a feeling on the part of many that the 5 percent interest rate without any forgiveness is too great a hardship on disaster victims, particularly in the light of aid given to those victims of Hurricane Agnes.

By providing the loan alternative, we are going back to what I proposed last year, which was not adopted by the Committee and by the House. Also, by going back to April 20 of this year, we are picking up where some people have already had disaster and other hurricane disaster relief and need to be brought into the fold, so that they can be given some assistance.

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

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, my district was afflicted by the recent flooding of the Mississippi and Illinois Rivers. Because of that, I had occasion to have some experience with the SBA as well as with the Farmers Home Administration disaster loans.

One of the things I learned from that experience was that the $5,000 forgiveness feature, which was still in effect, was that the $5,000 forgiveness feature was made available without regard to the financial standing of the individual. Some very wealthy people got the advantage of that forgiveness feature along with some very deserving people.

Does the new language in this bill have any kind of need income test or need test of some type?

Mr. STEPHENS. Mr. Chairman, I do not believe section 4 provides any guidelines. It has never been suggested. I was under the impression that SBA had guidelines but it is not in the section we are talking about.

Mr. FINDLEY. Does the gentleman in the well feel it ought to be available only to those of rather meager financial circumstances and not be available for persons of wealth?

Mr. STEPHENS. Yes, I think I would agree that this should be the criterion—actual need—in my opinion.

Mr. FINDLEY. Is that the intention of the gentleman in bringing this bill to the floor?

Mr. STEPHENS. No, I cannot say it was my intention because I did not know the gentleman from Illinois was going to bring up that question, but that is my personal feeling, that this ought to be the way it is.

Mr. FINDLEY. Mr. Chairman, could it be established as a matter of legislative history, as a result of our discussion, that the committee does intend to have the program administered so that the forgiveness feature, the attractive interest rates, are not available to those of financial means?

Mr. STEPHENS. Mr. Chairman, I would have to agree with what the gentleman has said only on the basis that it is my opinion. I could not speak for my committee, it having never been brought up to them. I am telling the gentleman my opinion on it.

Mr. FINDLEY. Mr. Chairman, may I ask a further question? I am not clear about the alternatives that would be available. I see a 1 percent per annum rate. Under what circumstances could a person get a 1 percent per annum loan?

Mr. STEPHENS. If he will say that he will take a loan and not ask for any forgiveness.

Mr. FINDLEY. How many years could he get it for 1 percent?

Mr. STEPHENS. I believe it is a 30-year loan.

Mr. FINDLEY. He could borrow money for 30 years at 1 percent interest rate?

Mr. STEPHENS. The gentleman must remember that this is a relief program, and it is primarily for people who have been in small financial circumstances. That is why I gave the gentleman my opinion.

Mr. FINDLEY. I understand.

Mr. STEPHENS. And as to why this kind of interest rate is given, the gentleman has to take into consideration that frequently when a disaster occurs, there is a mortgage on the premises and there is no way in the world to pay that mortgage off at a high rate of interest.

This is to give an opportunity to put this money, or at least some of it, into paying off the old mortgage if possible, but that is not always possible. This is to be an assistance to someone so that they will not be paying a double loan.

Mr. FINDLEY. Mr. Chairman, the reason I bring this up, and I really appreciate the gentleman giving me this opportunity to do so, is that there were circumstances in my district in which very wealthy people from metropolitan St. Louis had river cabins which they considered to be their domiciles, and were able to get this $5,000 writeoff on disaster loans.

It seemed to me to be a great injustice. If there is the further opportunity for such people to borrow money at 1 percent, when today the rate of interest is over 8 percent for almost any reason, the 1 percent loan for 30 years is really something.

Mr. STEPHENS. I appreciate the facts the gentleman has brought out.

Let me proceed to a description of what is in section 5 of the bill.

Section 5 of the legislation would allow livestock feed operators to obtain disaster loans if their herds were seriously damaged by disease.

Section 6 would include, under the terms of a natural disaster, erosion. At present erosion damage is not eligible for disaster relief assistance under the Small Business Administration.

Erosion itself over the year has been fully defined. I do not believe there is any problem as to what erosion consists of. I do not believe there should be any problem when we talk about giving some assistance for erosion. When a flood comes it can take loose soil and just destroy lawns, destroy yards, and everything around. A freshly plowed area or a dug up area can be washed away completely.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. STEPHENS. Mr. Chairman, section 7 would provide low-interest loans to small businesses which have been affected by the closing of a military installation. This has been very apparent, as to the need, from the comments made about the administration's closing of defense installations and bringing together more closely the pursestrings of military defense. I believe this is a very

good improvement upon what has been done in the past when we closed military installations.

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

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

Mr. ANDERSON of California. On the point the gentleman just raised, relative to loans for adjustment assistance in base closings. The bill provides, in part:

The Small Business Act is amended by adding * * * "( ) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new busines if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

Now I contend that this is quite vague. I am told there will be guidelines, since this provision has not been in the law before.

I notice that the report makes reference to the situation where the small business is located in a military community in the State. However, I am concerned about those areas where the military installation is in a large metropolitan area. I am thinking of my own area of Long Beach. The Long Beach Naval Base is being moved. I am also thinking of Hunter's Point, San Francisco, where the shipyard is being closed.

At Long Beach approximately 17,000 uniformed naval personnel are being moved out; 5,000 school children are affected; and several thousand homes are involved. It will be very difficult, in my mind, for the administration to determine how much of the business was affected by the moving of the base, because the people in business that we are concerned with are not necessarily dealing directly with the base but are dealing with the people affected who live in that area.

How will the guidelines apply to these businesses that are badly hurt by the moving or the closing of a base?

Mr. STEPHENS. I will acknowledge where there is a larger community there is going to be more difficulty in having an assessment made as to what is a loss due to the military installation being moved.

However, I will say that I cannot envisage it not being the intent of the committee and the intent of the Congress to say, whether it is a large community or a small community, regardless of size, if a person is injured in his small business activity by the closing of that base he ought to have the opportunity, just as anybody else would, to take advantage of the law. It is very clear a small town might be almost totally closed up as the result of closing of an installation. I can assure the gentleman that I will see that necessary guidelines are urged upon the Small Business Administration to be sure that the situation he mentions is taken care of.

Mr. ANDERSON of California. Mr. Chairman, I believe the gentleman will agree that where these businesses have been hard hit by the closing of a base, that we have a responsibility to help them. Most of these are small businesses, and I believe the administration should look with tolerance, especially in those areas where these people have built up their businesses on selling goods and services to the military personnel and their families. They have been providing valuable services, and now as a result of our action—not theirs—since the Government is the one that is moving the bases out, it is going to hit these small business people pretty hard.

Mr. STEPHENS. Mr. Chairman, I appreciate the gentleman bringing that point to the attention of the House. Now, let me resume my section analysis of the bill.

Section 8 provides for an annual report to the Congress from the Small Business Administration on the state of small businesses. Although annual reports are now required from the SBA, the contents of such reports are not spelled out in present law. H.R. 8606 sets down guidelines for such reports.

And finally, Mr. Chairman, section 9 provides that the SBA may not discriminate against any borrower because of that person's sex. Of course, I think that is the law anyway, but we have spelled it out so there will be no question about its being brought to the attention of the Administrator of the Small Business Administration.

The bill, H.R. 8606, is much needed, for without it the SBA will be unable to assist the more than 8 million small businesses in our country after the first of the next month. Small business is a very important segment of our economy. It provides 43 percent of the gross national product and over 50 percent of the country's employment. Small business has proven over the years that it can meet its financial obligations obtained in connection with the Small Business Administration.

For instance, on the regular business loan program, from the beginning in 1953 through June of 1972, losses amounted to an adjusted rate of 4.52 percent. That is an outstanding record when we consider that more than 600,000 loans have been made for an amount of nearly $12 billion.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. STEPHENS) has expired.

Mr. PATMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, it is true that the so-called economic opportunity loan program has had less than an outstanding track record in its loss ratio. But it is the only SBA program with more than minimal losses and the Banking Committee has consistently urged the SBA to lower the loss rate on these loans.

In closing, Mr. Chairman, let me once again stress the urgency with which this legislation is needed. Some time next month SBA will reach its loan ceiling, and at that point the agency will virtually have to go out of business unless H.R. 8606 is passed.

Mr. Chairman, as I view the situation as far as this bill is concerned, there is a good deal of unanimity on both sides of the aisle for the bill. I do not know of much controversy. I know of but one item in the bill that has any controversial feature connected with it. I have been given the courtesy of being notified that there will be an amendment to elimmate section 4. We will have to discuss that at the time we get into the amendment process.

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

Mr. REUSS. Mr. Chairman, as most of us are aware, risk capital for small business has been a scarce commodity.

The man with an idea, but no bricks or mortar, is hard put to bring his idea to fruition.

Congress recognized this shortcoming in the availability of risk capital. In 1958 we enacted legislation providing for small business investment companies to be licensed, regulated and if necessary, financed by the Small Business Administration.

As any experimental program, the SBIC program had its failures and successes.

Today, with 15 years of experience in making venture capital available to small firms, the SBIC industry is on a solid footing and is comprised of soundly managed, viable companies. It is the major source indeed, in many instances, the only source of venture capital for small business.

Over the years, a drawback of the SBIC program has been the unavailability of funds from the Government to match the private capital SBIC's have. Recently, SBA has used its guarantee authority to help SBIC's obtain funding from private lenders. This has opened up a new avenue of funding for SBIC's and new interest in the program.

Consequently, the provision in section 1 of H.R. 8606, which proposes to increase to $725 million from $500 million the amount SBA may have outstanding in loans to SBIC's at any time, is vitally important.

Along with the other provisions of section 1 of H.R. 8606 which increase other SBA lending programs, I strongly recommend that we adopt H.R. 8606.

Mr. HARRINGTON. Mr. Chairman, I rise today to voice my support of H.R. 8606, the amendments to the Small Business Act. This bill increases through fiscal year 1975 the total amount of loan guarantees and other outstanding commitments of the Small Business Administration—SBA—from $4.3 billion to $6.6 billion, a total increase of 53 percent. Included in this increase are substantial expansions in loan programs for small business investment companies, State and local development companies, low-income individuals, and businesses in areas of high unemployment.

In addition, these amendments expand the SBA's ability to provide economic disaster loans to small businesses adversely affected by Federal environmen-

tal consumer and safety standards. The interest rates for these disaster loans would be set at the cost of money to the Government plus one-fourth of 1 percent.

Other provisions of the bill require a detailed annual report to Congress on the state of small business in the United States instead of the limited report now required. The bill also prohibits sex discrimination in the granting of loans, and gives special preference to veterans and surviving members of their immediate families.

These measures of assistance for small businesses are imperative for areas like New England in light of the lagging recovery of the regional economy. Smaller firms are finding it particularly difficult to operate in this stagnant economy, and SBA loans are a major means by which we can help them make a go of it.

In the past 5 years, the Small Business Administration has provided $145 million in assistance loans to small businesses in Massachusetts, and $17 million for Essex County alone. These loans have been a major contribution to the economic well-being of the area, and I strongly support their expansion.

Of particular interest to the people and businesses of Massachusetts is the section of the bill establishing a new disaster assistance category, thus providing for assistance loans to small business concerns adversely affected by the Federal Government closing or reduction of major military installations. This provision will soften the blow dealt to small businesses by the closing of military facilities while other adjustment assistance legislation is pending in committee.

By strengthening the ability of these small business concerns to confront the economic hardships resulting from the changes in the U.S. military establishment, we are helping to alleviate the shortrun economic impact on both employment and the community. But, moreover, we are also taking one of the essential steps to insure the longrun economic vitality of affected areas by eliminating overdependence on the jobs and money from Defense Department funds.

Much more will be necessary to facilitate nationwide conversion to an economy independent of military spending, but that is all the more reason for beginning now. It is time for the Federal Government to recognize its responsibilities to small firms, individuals, and communities adversely affected by its activities.

Let us hope that this assistance is just the beginning of the positive programs to come.

Mr. TIERNAN. Mr. Chairman, I rise in support of H.R. 8606, a bill to amend the Small Business Act. It is important and necessary that we act favorably on this legislation today in order that commitments of SBA may continue to be processed for those small businesses that need assistance.

In the bill is a new disaster assistance category which would provide aid to small businesses who have been seriously affected due to the closing of a military installation in the community served by the small business. As a consequence of the April 17 action by the administration in disestablishing a number of military installations, many small businessmen find themselves on the brink of disaster. In my State of Rhode Island which took 50 percent of the national cut, SBA has estimated that loss of business will range from 30 percent to 60 percent in the Newport County area alone. This is a staggering figure.

I believe the Government has a moral responsibility to help these businesses and the people who are employed in them. I might add that many of these small businesses were encouraged to set up shop and also expand by Navy brass who implied that the Navy was to remain a permanent fixture in the community. Some of these entreaties—made in the last 2 or 3 years—come pretty close to deliberate deception. In any event, I believe the Federal Government must now make the commitment to alleviate a situation that it helped to create. I urge passage of this legislation.

Mr. PARRIS. Mr. Chairman, it is my pleasure to rise in support of H.R. 8606, to amend the Small Business Act.

For some time I have been extremely concerned over the plight of small firms which have been detrimentally affected by the need to comply with new Federal laws and regulations, or which have suffered serious financial consequences as a result of the closing of a nearby Federal installation.

Through the formulation and adoption of strong new laws, recent Congresses have taken decisive action to protect the American consumer, the environment, and to insure a safe place of work for the men and women of this Nation. However, I have found it extremely disturbing to realize that virtually no provision has been incorporated into the foregoing legislation to assist small businesses in making the necessary and often substantial expenditures needed to comply with the new laws.

Small business is a major social and economic force in this country, comprising nearly 98 percent of American business. Yet the failure rate for our smaller firms has traditionally been notoriously high, and in many cases the closing of a small business can be directly linked to Federal action in the areas which I have mentioned.

For these reasons I strongly support H.R. 8606, and have been gratified to note that the Committee on Banking and Currency has incorporated into the bill two key provisions of legislation which I recently introduced (H.R. 8311). Namely, the committee bill extends disaster loans to small business firms which must comply with new Federal environmental, consumer, pollution, and safety standards. In addition, the bill establishes a new disaster assistance category to provide aid to small firms which have been seriously affected by the closing of a military installation in the community served by the small business.

Mr. Chairman, we urgently need a viable and productive small business community to return and maintain our economy at a healthy state. I am convinced that small business will be strengthened by the enactment of the legislation which we have before us, and I urge my colleagues to join me in supporting H.R. 8606.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 8606, a proposal which would permit the Small Business Administration to make low-interest loans to small businesses which are facing economic hardships due to the Defense Department's decision to severely cut back or close local military bases.

April, the Navy announced its intention to transfer some 47 ships from the Long Beach Naval Station to new home ports.

As a result of this transfer, the Long Beach economy will, no doubt, be affected adversely. According to preliminary estimates, Long Beach will lose $100.7 million in annual Navy payroll; local suppliers will lose $11.7 million in Government contracts and services.

In addition, the local governments will lose an estimated $3.4 million in taxes.

Also, employment in the area will drop by an estimated 2,100 to 3,000 jobs.

While the economy of the Long Beach area is strong and diverse, the Navy's decision to relocate the ships and the sailors will have a devastating effect on many small businesses which were dependent on the Navy and its personnel for a livelihood.

I feel that the Government has an obligation to ease the strain on communities and businesses such as those in Long Beach, which are—with little or no warning—suddenly faced with economic hardships due to governmental action.

I also believe that a lack of communication with community leaders and a failure by the administration to adequately plan for the economic and personal effects of these cutbacks and closings may seriously jeopardize future relations between civic leaders and the military throughout the Nation.

Thus, to meet the obligation to those who supported and served the military bases, and to show civic leaders that the Government will help ease strains resulting from severe actions, I favor this proposal which permits low-cost loans to small businesses, and I urge my colleagues to lend their support to this equitable measure.

Mr. PATMAN. Mr. Chairman, the passage of H.R. 8606 a few minutes ago by this body will provide the Small Business Administration with enough latitude in its lending ceiling so as to continue its various programs for another 2 years. The Congress has never failed to raise the lending ceiling for SBA so that it can continue its lending functions. However, for the past several years, each time the ceilings have been raised the Banking and Currency Committee has stated in its report accompanying the legislation that the SBA must take action to return the agency to a program of direct lending instead of pursuing a guarantee role.

When Congress created the Small Business Administration it envisioned the agency as a direct lender to small business and that is the way the agency functioned for many years. However, in recent years, the trend has been away

from direct loans. For instance, in 1965, roughly half of the agency's loan total was made in direct loans. But in 1972, only 2 percent of the agency loans were in the direct form. This means that a borrower must find a bank or other financial institution before he can even approach SBA for assistance. The borrower must then get the bank to lend him the funds based on an SBA guarantee. Since the banks can charge their normal rate for such loans, and in most cases, do not even have to pay for a Government guarantee, it is a particularly sweet deal for the banks but not for the Small Business Administration. True there is not as great an impact on the budget by operating under the guarantee route, but by the same token, SBA is losing all of the interest income on the loans and at the same time is exposed to a maximum of 90 percent of the principal and interest of the loan. If the loan goes bad, the bank loses only 10 percent of the loan while SBA suffers a 90-percent loss.

The small businessman is particularly hard pressed by the guarantee route since in many areas serviced only by one or two banks a small businessman is at the mercy of these financial institutions.

Mr. Chairman, the Banking and Currency Committee's report on H.R. 8606 contains an extremely important section dealing with the allocation of direct funds. I am including that section of that report in my remarks not only so that Members may see exactly how SBA is drifting away from the congressional intent of the agency's operation, but also in the hope that the SBA and the Office of Management and Budget will realize that they are not following through with what is necessary to help small businessmen.

ALLOCATION OF DIRECT FUNDS

One of the biggest complaints that small businessmen have expressed in recent years is their inability to obtain direct loans from the Small Business Administration. SBA, as noted earlier in the report, has moved more toward the guaranteeing route rather than making direct loans. The funds that do remain for direct lending have been channeled into three categories, 01, 02, and 03 for lending purposes. Category 01 is for loans to small business concerns and individuals in economically depressed areas or areas of high unemployment. The 02 category is for loans to minority groups with some six groups making up the minority category. The third category, 03, is for loans for general economic growth or more precisely, all direct loans which do not fit the first two categories. SBA has moved during the current fiscal year toward combining the funds in categories 01 and 03 so as to provide more funds for the traditional direct business loans. However, your committee does not feel that the distribution of funds between the categories is equitable or that enough money is being spent on the direct loan program. For instance, during fiscal year 1973, $88 million is being made available for direct loans in the combination 01 and 03 categories, while $97 million is being made available in the 02 or minority direct loan program. For fiscal year 1974, the projection is that $88 million will be again made available in the 01 and 03 combination and that $107 million will be made available for the 02 category. The 02 category for fiscal year 1973 contains $5 million of direct funds for minority oriented SBIC's and $15 million during fiscal year 1974 for the same purpose.

In past years there have been cases where there have not been enough loan requests to use up all of the funds in the 02 category, yet instead of making this money available in the other direct loan programs, it has been returned to the Treasury Department, even though there were a large number of direct loan applications pending in the 01 or 03 categories.

To compound the situation, the Office of Management and Budget has impounded $50 million of direct loan funds during fiscal year 1973 and directed that the same amount be trimmed from SBA's 1974 direct loan estimate. During 1965, direct SBA loans accounted for almost one-half of SBA's loan total. Conversely, during 1972, direct loans accounted for less than 2 percent of SBA's loan total. Your committee is alarmed by this drastic trend.

To offset the trend away from direct lending, your committee expects at the very least that the Office of Management and Budget will return the $50 million impoundment of direct funds to SBA and will also authorize an additional $50 million increase for direct lending in the 1974 SBA budget. In addition, your committee expects SBA to reallocate direct funds from one loan classification to another in the event that there are unexpended balances in one loan classification while loan applications are pending in another category. And finally, your committee expects the Small Business Administration to take all necessary steps including realistic budget requests so as to move SBA back to a direct lending operation.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 8606, the Small Business Act Amendments of 1973.

The committee did an excellent job on this measure and the amounts authorized—particularly the increase of the lending authority of the Small Business Administration for direct, immediate participation and guaranteed loans from $4.3 billion to $6.6 billion—will allow a very effective operation of this program. I understand that the Agency estimates that this amount will permit it to operate through 1975. By that time the new reporting requirements, as set forth in section 8, will give us a very clear picture of the scope of the national need and the problems the program is encountering.

I am disturbed, although not surprised to learn that in addition to impounding $50 million from the direct loan budget of the SBA last year, the Office of Management and Budget has this year again instructed this Agency to reduce by a like amount its estimate for that particular part of its activities. Since this program is geared to the need of the small individual entrepreneur struggling to achieve economic independence, such a decision by an administration that gives vocal allegiance to the doctrines of self-help and hard work is hard to comprehend. It shows a particularly callous disregard for the urgent needs of the citizens of this country. I share the committee's hope that the Office of Management and Budget will release the impounded funds and authorize an additional $50 million increase for direct lending purposes in the 1974 SBA budget. Present economic conditions and the extremely high cost of money make such an action mandatory if the SBA is to fulfill, effectively, the role for which it was created.

I strongly support section 4 which would establish a new, alternate form of financing for disaster loans. The section is designed to give Congress time to work out an equitable disaster relief program and in the meantime lessen the hardship worked on disaster victims by the 4-percent increase of interest rates on disaster loans. Prior to April 20 of this year individuals were able to receive such loans at a 1-percent interest rate. The provisions of section 4, which incorporate an alternative of $2,500 forgiveness feature and a 3-percent interest rate, or zero forgiveness feature and a flat 1-percent charge on the entire amount of the loan, would greatly aid in providing immediately needed relief. I hope that all Members will see fit to support this provision.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the bill, H.R. 8606, the Small Business Act Amendments of 1973. In particular I would like to compliment the Committee and my able colleague from Georgia, the Honorable ROBERT STEPHENS, JR., chairman of the Small Business Subcommittee, for including in the bill an amendment to provide relief from catastrophes due to erosion.

This provision will place erosion in the category of destructive events which qualify for physical disaster assistance under the Small Business Administration's program.

Earlier this year I addressed the Members of this Chamber on the crisis caused by abnormally high waters in the Great Lakes, resulting in greatly accelerated shoreline erosion. The erosion caused by the action of this high water is not a slow process like the almost imperceptible wearing of a mountainside by rain. It is sudden. The lake water works quickly and efficiently.

The high water levels erode the natural protection afforded the Great Lakes bluffs by their long beaches. Normally, the gentle slope of the beach will dissipate the fury of the waves before they reach the highly erodible soft clay near the shoreline. However, during periods of high water levels the lake's edge creeps closer to the higher land embankments. Then, during any storm or even during a period of high winds, the waves are able to carry out a brutal assault directly against the foundations of lakeside homes and cottages.

Some time ago, an agent of the Internal Revenue Service said, in rejecting the

property damage claim of a victim of Lake Michigan shore erosion, "What God has taken away He can always put back." Perhaps this might be true. But, as a general rule, most homeowners have neither the time nor the patience to wait the millennium it would probably take for this to occur. Once the steeper bluffs have worn away, there is no replacement. Once a structure slides into the lake, nature does not rebuild it.

When people first built their homes there and bought their property around the rim of the Great Lakes, there was no way to foresee that this might happen. Now, our newspapers are filled with shocking pictures and vivid descriptions of once serene residential properties that have become beleaguered fortresses. When a man loses his property in this manner, it is—in every sense of the word—a disaster.

There has, of yet, been no aid to alleviate this type of heartbreak and tragedy. The high water is, of course, the root of the problem. Both Senator STEVENSON and I have introduced legislation to study this problem and try to solve it. But, future solutions cannot replace what is being lost today. Preventive measures will not cure irreversible results that occur now. This bill goes a long way toward providing the temporary relief needed today.

Victims of this much more dramatic and destructive erosion are disaster victims indeed. I urge my fellow Members to support this bill so that vitally needed assistance can be made available to every victim of accelerated erosion disasters.

Mr. J. WILLIAM STANTON. Mr. Chairman, we have no further requests for time.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

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

AUTHORIZATION

SECTION 1. Paragraph (4) of section 4(c) of the Small Business Act is amended—

(1) by striking out "$4,300,000,000" and inserting in lieu thereof "$6,600,000,000";

(2) by striking out "$500,000,000" where it appears in clause (B) and inserting in lieu thereof "$725,000,000";

(3) by striking out "$500,000,000" where it appears in clause (C) and inserting in lieu thereof "$600,000,000"; and

(4) by striking out "$350,000,000" and inserting in lieu thereof "$475,000,000".

LOANS TO MEET REGULATORY STANDARDS

SEC. 2. (a) Section 7(b)(5) of the Small Business Act is amended to read as follows:

"(5) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to or alterations in its plant, facilities, or methods of operation to meet requirements imposed on such concern pursuant to any Federal law, any State law enacted in conformity therewith, or any regulation or order of a duly authorized Federal, State, regional, or local agency issued in conformity with such Federal law, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph: *Provided*, That the maximum loan made to any small business concern under this paragraph shall not exceed the maximum loan which, under rules or regulations prescribed by the Administration, may be made to any business enterprise under paragraph (1) of this subsection; and".

(b)(1) Section 7(b)(6) of the Small Business Act is repealed.

(2) Paragraph (7) of such section 7(b) is redesignated as paragraph (6).

(c) Section 28(d) of the Occupational Safety and Health Act of 1970 (Public Law 91-596) is amended by striking out "7(b)(6)" and inserting in lieu thereof "7(b)(5)".

(d) In no case shall the interest rate charged for loans to meet regulatory standards be lower than loans made in connection with physical disasters.

CONFORMING TECHNICAL AMENDMENTS

SEC. 3. (a) Subsection (g) of section 7 of the Small Business Act, as added by section 3(b) of the Small Business Investment Act Amendments of 1972 is redesignated as subsection (h).

(b) Subsection (c) of section 4 of the Small Business Act is amended by striking out "7(g)" each place it appears in paragraphs (1)(B), (2), and (4) and inserting in lieu thereof "7(h)".

DISASTER LOANS

SEC. 4. (a) The second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "July 1, 1973," the first time it appears therein and inserting in lieu thereof "July 1, 1975,".

(b) Subparagraph (D) of the second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following: "with respect to a loan made in connection with a disaster occurring on or after April 20, 1973, but prior to July 1, 1975, and notwithstanding section 9 of Public Law 93-24, the Small Business Administration shall, at the option of the borrower, either cancel $2,500 of the loan and make the balance of such loan at an interest rate of 3 per centum per annum, or make the entire loan at an interest rate of 1 per centum per annum. In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.".

LIVESTOCK LOANS

SEC. 5. Section 7(b)(4) of the Small Business Act is amended by inserting before the semicolon at the end thereof the following: ": *Provided*, That loans under this paragraph include loans to persons who are engaged in the business of raising livestock (including but not limited to cattle, hogs, and poultry), and who suffer substantial economic injury as a result of animal disease".

EROSION ASSISTANCE

SEC. 6. Section 7(b)(1) of the Small Business Act is amended by inserting "erosion," immediately after "floods,".

LOANS FOR ADJUSTMENT ASSISTANCE IN BASE CLOSINGS

SEC. 7. Section 7(b) of the Small Business Act is amended by adding after paragraph (6) the following new paragraph:

"(7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing loction, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

ANNUAL REPORT ON STATE OF SMALL BUSINESS

SEC. 8. The first sentence of subsection (a) of section 10 of the Small Business Act and the first word of the second sentence of such subsection are amended to read as follows: "The Administration shall, as soon as practicable each calendar year make a comprehensive annual report to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include a description of the state of small business in the Nation and the several States, and a description of the operations of the Administration under this chapter, including, but not limited to, the general lending, disaster relief, Government regulation relief, procurement and property disposal, research and development, technical assistance, dissemination of data and information, and other functions under the jurisdiction of the Administration during the previous calendar year. Such report shall contain recommendations for strengthening or improving such programs, or, when necessary or desirable to implement more effectively Congressional policies and proposals, for establishing new or alternative programs. In addition, such".

ANTI-DISCRIMINATION AMENDMENT

SEC. 9. Section 4(b) of the Small Business Act is amended by adding after "The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator." the following new sentence: "In carrying out the programs administered by the Small Business Administration, including its lending and guaranteeing functions, the Administrator shall not discriminate against any person or small business concern receiving assistance from the Small Business Administration based on sex, and the Small Business Administration shall give special consideration to veterans of United States military service and the survivors of their immediate families.".

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and it be printed in the RECORD and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. J. WILLIAM STANTON: Strike section 4 and renumber the following sections accordingly.

Mr. J. WILLIAM STANTON. Mr. Chairman, the purpose of my amendment is to strike from the bill the provisions that relate to the forgiveness features involved in this legislation. Specifically I speak of deleting from the language of the bill the $2,500 forgiveness at 3 percent and/or the choice of a 1-percent loan. I offer this amendment for several different reasons.

First of all, this committee and this House acted on this particular subject no later than 2½ months ago. As we know, for the last several years the subject of disaster loans has been before this body

on five or six different occasions, but it was only as recently as 2½ months ago the committee decided, I think in its wisdom, under the Consolidated Farm and Rural Development Act to limit loans on disasters at this particular time to 5 percent. In the conference the Small Business Act was put into the bill in such a way that from then on the Small Business Act coincided with the Farm and Rural Development Act with loans at 5 percent. For the committee to go back on its word after that short period of 2½ months would be bad planning.

Further than that, with regard to this particular subject, I think it has come to the point when we should face reality. The Small Business Administration has been in business since 1953, and since that time they have given out 409,383 disaster loans. In the last 2 years 230,000 of those loans have gone into effect primarily because of the 193,000 loans that were given due to Hurricane Agnes. From any responsible fiscal point of view, excepting the desire of the Federal Government in cases of disasters to help people, the fact still remains that we are galloping to such an extent any way you look at it that it cost the Federal taxpayers close to $300 million to $500 million over the last year and a half; 70 to 75 percent of the loans at the time of Hurricane Agnes were for $5,000 or less. You must primarily realize these are not loans but are actually grants.

You get to the point where there is a proper time and place for taking care of this particular subject, though. The subject of disaster relief formulas of this kind does not belong in a small business act. Where it does belong is before the Committee on Public Works, and that committee has before it the Disaster Preparedness and Assistance Act of 1973.

It is my understanding—and I hope later on some of the members of that committee will be present—that they will have hearings and take this subject up. I am firmly committed to cooperating with that committee in coming up with some kind of equitable formula.

I believe to change the percentage of the formula we have and which this House passed only on April 30 is wrong, first of all.

Secondly, we are now, if we do not enact this amendment, getting back into the subject matter that proved so well in Pennsylvania and other places in this country, that there really is a better way to do this and, as I said, that is the Disaster Preparedness Assistance Act that will bring all agencies of the Federal Government together.

Fundamentally, what we do here is getting the Small Business Administration, which is for small business, into helping individual homeowners with home repairs which rightfully belong under HUD. So I would simply say that while I would count myself among those who show true compassion that there is a better way to deal with these problems.

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

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

Mr. J. WILLIAM STANTON. So, Mr. Chairman, I repeat to the members of the committee that the proper time and the proper approach to handle this subject is through the Disaster Preparedness Assistance Act now before the Committee on Public Works.

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

Mr. J. WILLIAM STANTON. I yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would ask the gentleman from Ohio whether the gentleman knows how much money was paid out in forgiveness grants by the SBA because of the $5,000 loan forgiveness feature that we passed about a year ago for disaster victims?

Mr. J. WILLIAM STANTON. In answer to the inquiry of the gentleman from New York I would say that I do not believe there are any figures, certainly that I have seen, which would say that because of the $5,000—and at one time it was $2,500, and then it went to $5,000, as to the number involved.

I see the distinguished gentleman from California (Mr. REES) is here, and I am sure the gentleman can tell you many things concerning this forgiveness feature. I am sure that he could tell you that anyone who has been through this forgiveness thing, that it tends to create dishonest people out of many millions who are actually honest people.

Mr. SMITH of New York. Will the gentleman yield further?

Mr. J. WILLIAM STANTON. I yield further to the gentleman from New York.

Mr. SMITH of New York. I might add that our former and late colleague, Mr. James Smith, who was the Director of the Farmers Home Administration, told me informally one day that it was, I believe, over $2 billion that had been paid out by the Small Business Administration for disaster loans under the $5,000 forgiveness feature.

Mr. J. WILLIAM STANTON. That is right, and you have got the fact that $1.5 billion in 1973 in disaster loans were paid out by the SBA. The total for the whole program is only $2.56 billion for a 20-year period.

Mr. SMITH of New York. Will the gentleman yield further?

Mr. J. WILLIAM STANTON. I yield further to the gentleman from New York.

Mr. SMITH of New York. If the amendment proposed by the gentleman from Ohio were adopted, would there still be in the fundamental law the 5-percent interest rate on disaster loans?

Mr. J. WILLIAM STANTON. If this amendment is adopted it would revert back to what this House enacted in late April, and that the President signed, of a 5-percent interest rate.

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

Mr. ANNUNZIO. Mr. Chairman, I rise to oppose the amendment of my good friend, the gentleman from Ohio (Mr. J. WILLIAM STANTON). I know that the gentleman has a deep compassion, like everyone in this House has a deep compassion, for disaster victims who have suffered because of floods.

I would like to point out to the Members of this House that when we mentioned the situation that occurred in California, all of the mistakes, the chiseling and the cheating that went on in California, that I see that as no reason to exempt people from this program because a few people in some State cheated. That does not mean that every American is a cheat, and that every American is a dishonest man just because we have a few cheaters in this program.

A disaster could strike in the district of any one of the Members of the House at any time. Disaster has struck in this country in almost every State of the Union from time to time.

Much is said here about adequate aid to disaster victims in the so-called Nixon budget. Under legislation passed last year, the President was supposed to send a disaster message to Congress by January 1 of this year. He did not send that message until 3 months after the date. If the administration was worried about disaster victims and the budget, why did not the administration comply with the law?

Congress on April 20 of this year set the disaster loan rates at 5 percent, which was done only because the Small Business Administration and the Farmers Home Administration had indicated they would not make any more loans unless the rates were changed.

In short, this entire Congress was blackmailed and had to go along with that particular rate.

Under this bill, H.R. 8606, we are giving the disaster victims an option. What we are saying to them under this bill is they have a choice of no forgiveness at 1 percent, or they have a choice of $2,500 forgiveness for 3 percent. We are not saying that this is a program that is going to last forever. This is only a 2-year program.

For the last 2 days we have been hearing in this chamber amendment after amendment and subsidy after subsidy, for farmers and we heard how there is not an industry in the United States that is not subsidized. We have passed subsidy programs for the farm programs. Now we are talking about people who are disaster victims who cannot help themselves and who have no other place to go but to the House of the people, the Congress of the United States, for relief and for help. I want to urge my colleagues in the Committee of the Whole that when we vote on the so-called Stanton amendment that we vote this amendment down, because we cannot justify low-cost loans to victims of Hurricane Agnes and give 5 percent loans to other disaster victims. It is more of a disaster to a man who loses his home in a small flood than one who loses his home in a major flood.

When we talk about this 5 percent, when a man is wiped out of his home and his family is without a home, I should like to ask the Members of this House where on earth is he going to get the 5

percent interest to pay on this loan? I think that this Congress, showing the compassion that it has for the farmers in the last 2 days, will show compassion enough to vote down the Stanton amendment and to keep the bill in its present form.

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

Mr. Chairman, section 4 of H.R. 8606 would authorize the Small Business Administration to make disaster loans under sections 7(b) (1), (2) and (4) of the Small Business Act, for disasters occurring on or after April 20, 1973, but prior to July 1, 1975. The borrower would be given the option of cancelling $2,500 of the principal of each loan and repaying the balance at 3 percent interest, or repaying the entire amount of the loan at 1 percent.

It should be noted that because of the extreme cost involved in the forgiveness features in effect until recently, and because of the possibilities for abuse provided by such features, the Congress saw fit only last April to enact H.R. 1975, which was signed by the President on April 20, and is now known as Public Law 93–24. That measure deleted from the law the previous controversial and costly forgiveness provisions which had resulted in unanticipated inequities and increased the rate of interest applicable to disaster loans made by SBA.

Section 4 now attempts to undo what was done less than 3 months ago, by putting still another form of forgiveness and reduced interest rates into the law. The proposed forgiveness feature would result in prohibitive costs, as would the 1 percent and 3 percent interest provisions. Let us not confuse further the concept of a subsidized loan arrangement to assist disaster victims in their plight with an outright grant or giveaway program.

I believe that with the changes recently enacted in Public Law 93–24, the present law satisfies the economic needs of disaster victims. Five percent interest on loans certainly constitutes a substantial benefit to disaster victims, who would otherwise pay a much higher interest rate on such loan if indeed they could obtain loans at all.

At least until the Congress has had an opportunity to consider the comprehensive disaster preparedness and assistance bill now before the Committee on Public Works, let us not make another modification in the SBA disaster relief loan terms. Let us not take another misguided turn in the name of "equity"—to do so would be to perpetuate the problems of increasing costs to the taxpayers and real inequities to those who are the most needy and are unable to get loans because of their inability to assure repayment. The proposed giveaways in the name of equity are simply beyond reason.

I urge my colleagues to support the amendment to strike section 4 from this bill.

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

Mr. Chairman, I reluctantly rise to oppose section 4 as it now is in the bill. I think we have several major problems. This is a Small Business Administration disaster loan program. Two years ago we had a situation where if there was a disaster and one had a loss one could get a 3-percent loan and the first $2,500 of that loan was forgiven. Because of Hurricane Agnes last year we amended the bill so that until July 1 of this year one could get a 1-percent loan on his loss and the first $5,000 was forgiven.

The amendment in the committee bill is an attempt to try to rectify this, what has happened in the past with the SBA disaster loan program is that every time there is a new disaster we change the rules so that someone who is a victim of a previous disaster gets treated in one way, and if one is hit by a contemporary disaster that seems to have occurred when Congress is working on the SBA bill, there is another criterion.

The problem with the forgiveness clause is that a person who really sustains a serious loss, say a $40,000 uninsured loss might get a $2,500 or $5,000 forgiveness in a 1-percent loan, or 3 percent loan but he still has a loan outstanding perhaps of $25,000. But if we get another individual he might have a very small loss, let us say a $2,000 or a $3,000 loss and that person is automatically forgiven. There is absolutely no loss this person sustains.

This program is not supposed to really take care of small losses. It is supposed to take care of the major losses which someone sustains, a loss of his business or his home. What happened in Los Angeles was we had an earthquake and many houses were extensively damaged, but when many individuals found out they would not have to pay for the first $2,500, they all of a sudden discovered they did have a little "structural damage" in their houses that really did not appear to be damaged and they would claim $2,500 worth of structural damage in the house, and it did not appear difficult to find a contractor who would agree with that, and then they would go to the SBA and get $2,500 and get the $2,500 forgiven.

Remember, in a disaster we have many people who sustain heavy loss.

So that the SBA finds the day after the disaster that there are not just 50 or 60 people lining up for loans, but there are thousands of people lining up for loans. If the SBA tries to process these in a reasonable manner, they find that everyone in the local area says, "Look, you have to process all of these right now because this is a disaster and you bureaucrats are trying to hold it up," and therefore they put an okay on practically every application.

Mr. Chairman, this is the problem I think we will find not just in California, but in any State where we have this type of loss.

One or two other things: The Committee on Banking and Currency is working on improving the national flood insurance program. I think the basis of the amendments proposed by the administration would be that in any jurisdiction where we have a flood problem, there would be an automatic cover on every property insurance policy so that every house would have this flood insurance protection. In Wilkes Barre, I think there were three people who had maximum flood insurance protection.

Under the present program the bill should come before us, in the next few weeks, I think this will give people a lot more security.

There is other legislation. The gentleman from Pennsylvania (Mr. FLOOD) is here and he has a very excellent bill for national disaster insurance which would again be a cover policy to insure the homeowner and the businessman for all of those uninsurable losses they might sustain as a result of a natural disaster.

Mr. Chairman, this is where I think we should move, where it is fair and equitable, but to keep dealing with these arbitrary forgiveness of $5,000 and running down 1-percent loans, I think, is unwise and certainly is not consistent and not fair to those who sustained disaster losses in the past or who in the present, sustain heavy losses.

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

First, Mr. Chairman, I would like to comment on the statement, or at least the premise my colleague from California injected into this discussion. The fact that individuals may decide to wrongfully apply for this loan is no reason whatsoever to cancel out a program. I would say, however, that the law provides that anyone who wrongfully misapplies the proceeds of a loan obtained under this subsection is liable to pay back to the administrator three times the amount of the loan, and is also liable in the criminal courts.

I suspect that history indicates that this kind of activity in terms of misconduct will occur periodically, and it is no reason to cancel out a program.

Mr. Chairman, I also must return to the arguments offered by my good friend from Chicago, Mr. ANNUNZIO. I might add at this point that I do not have in my district any people who would qualify, but it seems to me that I have been here on the floor of the House asking for help for the people I represent, and often during the course of the dialog Mr. Average American, who works for a living, buys a home, fights and scrapes to preserve that home, gets no benefit from any of the programs we in the Congress of the United States make provision for.

Today it seems to me to be rather callous when this man who scrapes and works and saves to build his home is hit with a disaster over which he has no control, for us to say, "Mr. Middle American we do not have any provision to help you whatsoever."

I think that is the wrong kind of approach. The bill has adequate safeguards to prevent fraud, and I think this is where we ought to allow the average American to come in and get some benefit from all of his taxes that go into the Federal Treasury and which are spent for programs in which he receives no benefits.

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

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. Chairman, I think there are about three reasons why this amendment should be supported at this time. The impression has been left that if we do not include this provision in the bill, that the victims of disasters will not be provided for.

There is in being a loan program which provides loans at 5 percent through the Small Business Administration.

The point has been made, and I believe appropriately, that on April 20 of this year, 1973, the President signed into law an act which says:

> The Secretary shall make loans in any such area designated by the Secretary in accordance with subsection (a) hereof and in any area designated as a major disaster by the President.

Section 324 further provides that said loan shall be at 5 percent. This law is referred to as the Consolidated Farm and Rural Development Act. Then section 9 of that law says:

> Notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with any disaster occurring on or after the date of enactment of this Act * * * shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act.

Which I have just read.

In my judgment, if we allow section 4 to stand, it would be discriminatory against rural disaster victims. In other words, there would be a double standard of help for persons who could qualify for 5-percent loans under the Consolidated Farm and Rural Development Act, and those who could qualify under the Small Business Administration Act, who would have to pay only 1 percent for 30 years or would have a forgiveness of $2,500 and pay only 3 percent; or the applicant might change his mind, apparently, during the course of paying off the loan, which would make the thing, in my judgment, impossible to administer.

For these three reasons I feel the gentleman from Ohio does have a good amendment.

I should like also to associate myself with the remarks of the gentleman from California (Mr. REES) who pointed out there is a bill being considered by this body at this time which would provide generally for an overall long-term disaster relief program on a uniform basis.

Mr. BRASCO. Mr. Chairman, will the gentleman yield for a question?

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

Mr. BRASCO. It just seems to me to be rather fallacious to argue that we should cancel out the benefits under section 4 of this bill so that some other committee of the Congress could enact these same benefits in some other bill at some later date. Is that the gentleman's intention?

Mr. WYLIE. I am not suggesting that. I am not suggesting the forgiveness feature is a good idea. I believe the $2,500 forgiveness and 3 percent for 30 years, or 1 percent for 30 years, whichever a person wants, is unworkable and cannot be administered. Additionally, it will cost too much to administer.

I suggest that what we are doing is discriminating against the rural disaster relief victims. We do have in being a 5-percent loan relief program for all disaster victims. It is not accurate to say that we will not have any program available for disaster victims if we adopt the amendment offered by Mr. STANTON.

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

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

Mr. J. WILLIAM STANTON. I wonder if the gentleman would not agree that all the amendment does is to reassure our understanding of what the House did less than 2½ months ago, when we overwhelmingly accepted a 5-percent provision on disaster loans, for agricultural relief loans.

Mr. WYLIE. That is right. I believe we look ludicrous, having passed that bill on April 20, to come back 2½ months later and pass something different.

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

Mr. WYLIE. I yield to the chairman of the subcommittee.

Mr. STEPHENS. Let me make this point in respect to what the gentleman says about discrimination against farmers.

In the first place, under the existing rules of the House we could not provide this for the farmers under this bill. This is a bill dealing with the Small Business Act, and such a bill would have to deal with the Farmer's Home Administration Act. We cannot do that under this bill.

Mr. WYLIE. I understand. The point I was making is that Public Law 93–24 in section 9 says:

> Notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with any disaster occurring on or after the date of enactment of this Act . . . shall bear interest at the rate determined under section 324 * * *

and the rate provided in section 324 is 5 percent. It is uniform, easily administered and the House spoke just 2½ months ago.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the Committee, I basically oppose the amendment offered by the gentleman from Ohio. However, I am not entirely satisfied with the wording of the existing language in the bill, and I would like to ask the chairman of the subcommittee a few questions.

In the last paragraph, Mr. Chairman, the statement appears that if there is a refinancing of a loan, in no event shall the payments be lower than the existing payments.

Now, I agree basically with what the gentleman from New York just said, that when we are dealing with forgiving at the $2,500 level, we are talking of very small homes and very poor working people.

I have been through the hurricanes in my district. As a matter of fact, we have a flooding situation down there now. In this instance, when someone is flooded in a basic agricultural area such as mine, there will not be any work for the people who were flooded out, and in a refinancing situation he is not going to have any money at all to pay back, and if he can work out a refinancing, it will of necessity force him to pay less if he can pay at all.

I would like to ask the question, what was the rationale in the committee in adding that wording?

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

Mr. DE LA GARZA. I certainly will yield.

Mr. STEPHENS. Mr. Chairman, our bill is not intended to do anyone any harm. In instances where a person is knocked out of his home, not always, but a majority of the time he is not knocked out of his employment, and if he is paying $100 under his existing circumstances on a monthly payment basis, he can still bear $100 a month instead of dropping it down to $75 when he is getting the benefit of a 1-percent loan.

Mr. DE LA GARZA. Mr. Chairman, I suppose the gentleman is assuming that his employment continues.

Mr. STEPHENS. Yes.

Mr. DE LA GARZA. Apparently the gentleman and the Members of the Committee have not been in a disaster situation like some of us unfortunately have. There are not any jobs when we have a flood in an area. An individual has no income to continue the payments as he had before, and now the gentleman says that we cannot work something out to make it easier for him when he does not have a job after the flooding.

Mr. Chairman, when there is a flood in an agricultural area, there go the jobs. We have no jobs left. Therefore, although I propose to vote against the amendment offered by the gentleman from Ohio, I am inclined to offer an amendment striking this section out in that part of the bill.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I think the dialog and the exchange that is now taking place between the gentleman from Texas and the gentleman from Georgia points up the reason why we should be supporting the striking of this section, as enunciated by my friend from California (Mr. REES).

Having dealt with these matters in the Committee on Public Works and particularly in the work on flood control and flood disasters, I think one of the problems we face here is that these matters have been dealt with on a piecemeal basis or on a disaster by disaster basis rather than with comprehensive application, and the result is that we now have an administrative monstrosity.

Mr. Chairman, I might point out to the gentleman that section 4 would include the loan forgiveness provisions for the SBA, and as we know, in the rural areas in many instance disaster relief is also administered by the Farmers Home Administration.

I would conclude by stating that I intend to support the amendment to strike out the Section, because we, in the Committee on Public Works, will be holding hearings in an effort to come up, hopefully, with a more permanent program and develop the kind of hearing record

necessary to make a valid and a proper judgment for a comprehensive and uniform disaster relief program.

Mr. DE LA GARZA. Mr. Chairman, the gentleman makes a very impressive argument for my favoring both amendments. I mean I would support the amendment, but I still cannot bring myself not to do something now. I agree with the gentleman. The gentleman was in my area and was very helpful during one of the floods we had, but I cannot bring myself, Mr. Chairman, to support the amendment to take all of this out. However, I think we do harm to the intent of the legislation if we leave that last paragraph there. I think the better course is to oppose the amendment, and then I would offer an amendment of my own to strike out this wording.

Mrs. BOGGS. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

I wish to associate myself with the remarks of the distinguished gentleman from Illinois (Mr. ANNUNZIO) and point out that the cutoff date in section 4 of the bill before us is July 1, 1975, and that this section provides only half of the relief features made available to those victims who received funds as a result of Hurricane Agnes; namely, $2,500 in forgiveness funds with 3-percent loans or no forgiveness with 1-percent loans.

The cutoff date of July 1, 1975, is very reasonable because the provisions of the new flood insurance legislation and the proposed disaster programs will become fully operative by that date. For the middle American, who is the hardest hit by all of these disasters that befall our country, it is most important that he receive adequate relief until he can have long-term, comprehensive protection.

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

Mr. Chairman, we are very familiar with flood damage and hurricane damage and all the rest of that sort of thing on the gulf coast. Certainly our people need the provisions of this bill under the Small Business Act.

I have some concern, however, about section 4 that perhaps the chairman of the subcommittee can clear up for me.

Public Law 93–24 says "notwithstanding the Small Business Act" and so forth. Section 4 of this bill says "notwithstanding Public Law 93–24." Where will we be if we strike section 4? What will be left and what will be the state of the law as far as a person living on the gulf coast, for example, is concerned?

Mr. STEPHENS. Will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman.

Mr. STEPHENS. We will be in a situation where you have no forgiveness clause of any kind for a disaster loan and it would be at 5 percent.

Mr. EDWARDS of Alabama. That would apply not just to farmers but everyone. Is that correct?

Mr. STEPHENS. No. Well, under Public Law 93–24 yes; it would apply to the Farmers Home Administration loans as well as the Small Business Act loan.

Mr. EDWARDS of Alabama. As well as those?

Mr. STEPHENS. Yes. If this is enacted, it would apply only to Small Business Administration disaster loans.

Mr. EDWARDS of Alabama. So under 93–24 a farmer has the right to go either way. Is that correct?

Mr. STEPHENS. He would not have the right to go either way, because the Farmers Home Administration has a certain territorial limitation.

Mr. EDWARDS of Alabama. Then, a private homeowner, if this is passed as the committee presented the bill, has the right to go either way?

Mr. STEPHENS. Yes.

Mr. EDWARDS of Alabama. He could operate under Public Law 93–24 or under section 4 of the present bill?

Mr. STEPHENS. That is right, if he wants to take a 5 percent loan.

Mr. EDWARDS of Alabama. In addition to that, the Committee on Public Works is working on a piece of legislation now which, as I understand it, will hopefuly clear up once and for all this problem or set some policy once and for all of uniformity as to how we are going to handle forgiveness or grants or whatever it is as a result of disaster.

I see the gentleman from California (Mr. DON H. CLAUSEN) on the floor, and I wonder if I can ask him when we might expect that bill to be brought up.

Mr. DON H. CLAUSEN. Will the gentleman yield?

Mr. EDWARDS of Alabama. Certainly I yield to the gentleman.

Mr. DON H. CLAUSEN. There is no specific time, because, as you know, the Committee on Public Works right now is primarily confined to the Senate-House conference on the highway bill.

Second, we are considering the public works river and harbor omnibus bill.

I do know this is a matter which the chairman (Mr. ROBERTS), and the chairman of the full committee (Mr. BLATNIK) and other members of the committee feel is very urgent.

Inasmuch as we are having these major disasters with such increasing regularity, we will have to give top priority to them, and the legislation will have to be considered, hopefully during this month, in the 2 weeks remaining in July, or certainly very soon after we return from our August recess.

Mr. EDWARDS of Alabama. It would seem to me the better part of wisdom to keep disaster relief as uncomplicated as possible.

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

Mr. EDWARDS of Alabama. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, it is my understanding in this particular case that the Committee on Public Works were to receive guidelines from the administration, or were promised these guidelines, no later than last January, but as I understand it they did not come to the committee before May.

I can assure the Members of the House that I would never offer my amendment today if I had not thought that this committee in the very near future was going to consolidate this overall question. Because now we have the SBA giving out a couple of hundred thousand loans a year to private home owners and, as I said before, the SBA is for the purpose of helping small businesses, so that I believe that this properly belongs in the jurisdiction of someone who knows something about housing, and I do not believe it belongs in the SBA.

As I say, I assure the Members of the House that I would not be offering this amendment if we could not consolidate these things under one bill. And at that particular time I will assure the Members of the House that I will be for a percentage under such a bill.

As the gentleman from Illinois (Mr. FINDLEY) pointed out, we have had millionaires who have received the $5,000 forgiveness, and who have increased their loans because of the forgiveness feature.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I think of the words of the great play "The Scene" before another great legislative body years ago, when the spokesman from the provinces came in after a great natural flood disaster, and he said—and who has a better right than I to say this here—

I come to this august body with gratitude in my heart for what was done for my people, and to pray this body to do the same for others that come here after with that kind of damage.

You know, Mr. Chairman, my name is FLOOD, and I am from Wilkes-Barre.

If you saw that in a movie, you would walk out, would you not?

Well, Wilkes-Barre was destroyed by Agnes last year. Do you recall? There was $4 billion worth of damage, and more than 20,000 individuals financially and economically wiped out.

I came to you in July and you know what you did. When the waters receded, the first place that my people and those in the other seven disaster States—and there were seven disaster States—the first place that those people looked was to their leaders in this Government for the help, and that they received.

But the Members will recall that, since Agnes struck last June that many other States and many other communities in the Nation were damaged, there were natural disasters in Arizona, the Mississippi Valley, tornadoes across Arkansas, Virginia, Texas, and so on and so on.

So you have this problem, and here it is, and remember when you heard it first, for you were great then. So the question now becomes, how can this Congress make less assistance available to American citizens who are and will be victims of these disasters? How can you refuse? I guess I would be the last one, certainly, to question the bona fideness of my friend; he was just as good and helpful as everyone else.

He misunderstands. He misunderstands. I do not question his purpose and intent on the forgiveness but on the forgiveness,—whatever it might be, his amendment is a disaster, God forbid.

While we are sitting here anyone may get a phone call in that room while he is

sitting here, just like I did. And then what will you say with these forgiveness clauses that we voted for everybody else and the Members voted for me, that the Members gave to my people?

Do not all of the Members deserve the same for themselves? Of course, they do. Of course, they do.

I hear about the abuses. As a former Deputy Attorney General of Pennsylvania and as a former prosecuting attorney, I know abuses when I see and hear them, yes. Yes, there are abuses. There were 35,000 applications to the Small Business Administration; 35,000 applications were filed in my district and taken care of. There were 21 abuses—21 out of 35,000.

Do the Members want to place a blot upon the reputations of their people that they are inherent thieves? They do not trust them? The Members trusted mine. Can they not trust their own under this same law that we have before us? If there is abuse, let the proper agency prosecute it, but do not damage everybody else because of that one rotten apple.

Let me tell everyone that despite the adage, it does not destroy the rest of the barrel. It did not in my district; it will not in the Members'.

Under all the circumstances I pray that the Members again, as they did for me, do for those who came to this disaster hereafter.

I oppose the amendment.

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

Mr. Chairman, I rise in support of the amendment offered by my friend and colleague from Ohio. Section 4 of H.R. 8606 is unnecessary legislation. Further, it is an unnecessary intrusion into matters currently pending before the Committee on Public Works.

I commend to you the minority views and particularly the first full paragraph on page 14 of the committee report. I agree with these views. It is to the Committee on Public Works which the Congress should look for comprehensive disaster relief rather than to the piecemeal and patchwork approach of section 4 of H.R. 8606.

I note in the last paragraph on page 4 of the report that the present disaster relief law did not pass through the Banking and Currency Committee. Yet the effect of section 4 of H.R. 8606 is to amend the Disaster Relief Act. Section 4 of H.R. 8606 seeks to withdraw section 9 of Public Law 93–24, which went into effect only this past April 20, which made disaster loans available at no forgiveness and 5 percent interest. Public Law 93–24 repealed the $5,000 forgiveness, 1 percent interest features, because they had proved extremely costly, with the outlay of dollars threatening to bankrupt the Small Business Administration's emergency loan operations.

More importantly, in terms of meeting disaster victims' needs, in the 2½ months that Public Law 93–24 has been in effect, there has been no empirical evidence shown that disaster victims are unable to meet their recovery needs through loans at this interest rate, which is very low relative to open market rates.

The forgiveness feature permits individuals who have had minimal property damage to be given Federal tax dollars to replace or repair items not essential to their immediate recovery. It indemnifies loss up to $2,500 regardless of whether that loss is critical to the claimant's emergency needs or his long-range recovery. Where individuals have been offered forgiveness of $2,500 or $5,000, the average loan request has been the amount to be forgiven. The indication is that the individual gets as much "free money" as he can, and only those who have critical needs borrow money they intend to repay. Such critical needs can be met under the current provisions of Public Law 93–24.

I believe that prudent administration of this Nation's tax dollars makes it mandatory that we continue to provide disaster assistance at the fair and equitable rate provided by Public Law 93–24, until such time as the administration's Disaster Preparedness and Assistance Act of 1973, introduced as H.R. 7690 on May 10, is given a full and complete hearing.

For too long we have seen a proliferation of laws providing for disaster relief. The time has come to consider a thorough review of all facets of disaster relief and to consider comprehensive legislation which will provide for fair and speedy assistance to disaster victims.

As a matter of fact the 1972 law mandated the Congress to conduct a comprehensive review and revision of disaster assistance programs. The Committee on Public Works is in the process of making that review. The administration has already made a revision of the programs and has sent to the Congress a consolidated program, substantially improving the existing law. The administration's proposal eliminates much of the duplication, red tape and inconsistency of the present programs. It expands the benefits available and strengthens the State disaster programs and gives the States a much greater part in the program of assisting its citizens.

As ranking minority member of the Committee on Public Works, I can assure you that we intend to address this problem during this session of the Congress. I, therefore, urge my colleagues in the House to support the amendment. Vote for a comprehensive rather than a piecemeal approach.

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

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

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

Is it not true that support of this amendment offered by the gentleman from Ohio to eliminate the forgiveness clause does not, as so many of my colleagues have tried to indicate, deprive people of the right to a loan? The amendment merely eliminates the forgiveness clause which in many cases in the past has proven itself to be unworkable in the problems of trying to administer it on a fair and equitable basis. I rise in support of the amendment of the gentleman from Ohio.

Mr. PATMAN. Mr Chairman, I would like to see if we can arrive at a time when all debate on this amendment and all amendments thereto will end. Mr. Chairman, I ask unanimous consent that the time be restricted to 2:20 with the last 5 minutes for the chairman of the subcommittee to close.

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

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, does the chairman of our subcommittee have the same right as anybody else?

Mr. PATMAN. No, he closes the debate.

Mr. ROUSSELOT. Then I object. I do not see why he should not have the same as anybody else.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr Chairman, I move that all debate on this amendment and all amendments thereto close at 2:20.

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

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. STEPHENS).

(By unanimous consent, Messrs. PATMAN, ANNUNZIO, and BARRETT yielded their time to Mr. STEPHENS.)

(By unanimous consent, Mr. CONLAN yielded his time to Mr. J. WILLIAM STANTON.)

Mr. STEPHENS. Mr. Chairman, we have before us an amendment which has been said contravenes a law which we passed in April. It does, but let me tell the Members why it does and why it is being offered. It is to cure a mistake which we made in April. We heard the eloquent address made by the gentleman from Pennsylvania when he said he was asking that we be as fair to other people as we were to people in his area. If the Members want to know the truth of the business, the people in that area were given twice what is offered in this bill, so we are going to be half as good to the people affected by this bill as we have been in the past.

The question of jurisdiction concerning the fact that the Committee on Public Works is at the present time working on a bill is not a good reason to postpone action now. The Public Works Committee can still act if it thinks that some adjustments must be made, and when it does act and the House works its will upon those proposals, then at that time it can correct by virtue of a vote in this House any error if we made any.

Mr. Chairman, I would like to point out also that even if we had proposed to make this equal for the Farmers Home Administration we would have been barred from making it. The rules of the House would make this attempt subject to a point of order as not germane to amend the Farmers Home Administration bill in a Small Business Administration bill. However, we are asking that this section 4 be included to correct the error

that we think was made in the spring and was an error we made last year when we gave a $5,000 forgiveness on a 1 percent loan and did not have any alternative proposal such as we have in this bill.

I am opposed to the amendment and I support the proposal that we give disaster relief on the basis of $2,500 forgiveness that will take a 3-percent loan, or a loan without a forgiveness clause at 1 percent.

Mr. Chairman, as I say, that is being as fair as we have been in other flood disaster areas.

With respect to what happened in last year's bill, we tried to and did correct that language that had been put in the bill to stop frauds which had been perpetrated. We had loose enough language where in an emergency situation, administratively SBA could not demand and require legal proof that was required for a person to get a loan. We changed the law to demand proof of these disaster losses and the amount of them should be given to SBA before any loan was made.

Mr. Chairman, therefore, I ask the House to sustain the position of the committee and not change section 4 in this bill, and to vote against the amendment.

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

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. J. WILLIAM STANTON.)

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

Mr. CORMAN. Mr. Chairman, the fraud is this bill and its application to the people who will suffer disasters in the future. There is a limit to the number of dollars we are going to give out. Under this formula it is absurd.

Let me consider the cases of three people who might suffer damage.

One person suffers $2,600 damage. We say to him, "We will give you $2,500 of it and loan you $100 at 3-percent interest."

The second person, who suffers $26,000 worth of damage, is working. He has some income. We say to him, "We will give you $2,500 free, and we will make a loan for the balance at 3 percent."

Let us consider the case of another person, who has no income, who is living on social security, who loses his home and suffers a loss of $26,000. What do we tell him? We say to him, "You can get nothing, because you cannot demonstrate your ability to pay it back."

I am shocked and saddened that this committee, after all the years of experience we have had with flat forgiveness laws, would propose this provision.

I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. YOUNG).

(By unanimous consent, Mr. YOUNG of Florida yielded his time to Mr. J. WILLIAM STANTON.)

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Chairman, I rise in support of the committee position and against the amendment, and I do not do this as an abstract proposition.

On the night of May 27 my district was devastated by three tornadoes that struck without warning, completely demolishing large areas. There was one particular town of about 2,500—Brent, Ala.—that for all intent and purposes, no longer exists. Other places in my State of Alabama were similarly damaged or destroyed.

In addition to the disaster which struck on May 27, the people in my district—and it could be people in other districts, but for the grace of God—these people suffered an additional disaster, which was heaped upon them April 20, when there was written into law the discriminatory provisions wiping out benefits which had theretofore been available to disaster victims. In return we provided very limited benefits for anyone suffering a disaster after April 20.

I ask my colleagues in the House to support the committee on this. We can let the Public Works Committee get along with its work on an overall policy. I support them in their endeavors.

But this is an emergency situation. Disaster relief must be quick to be effective. Let us adopt this legislation now and then consider further measures.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

(By unanimous consent, Mr. GERALD R. FORD yielded his time to Mr. J. WILLIAM STANTON.)

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

Mr. J. WILLIAM STANTON. I yield to the gentleman from Texas.

Mr. ROBERTS. I appreciate the gentleman yielding.

The Committee on Public Works intends, subject to the will of the chairman and also the House leadership, to start hearings on the disaster bill on July 31. Because it is so close to the recess we may have to wait until after we get back. This is a matter of jurisdiction with the Committee on Public Works, and we will take care of it.

Mr. J. WILLIAM STANTON. I thank the gentleman for his very valuable contribution.

As I look around, Mr. Chairman, I see there are many new faces, which were not here when I first presented this amendment.

First, this subject of disaster relief has become so huge and so large that if the benefits of this particular provision in its present form were passed, compared to the experience of last year, the cost to the taxpayers would go to about $300 million to $500 million.

Secondly, the gentleman who just spoke has clearly defined my position on this. The House voted in April to come up with a 5 percent across the board disaster relief loan. The Committee on Public Works has a bill before it, the Disaster Preparedness Assistance Act of 1973.

Mr. Chairman, the purpose of my amendment is to give this committee once and for all and forever, we sincerely hope, an opportunity to take the differing facets of disaster relief of Housing and Urban Development and Farm Home Administration and the Small Business Administration and coordinate these relief agency efforts and get the money to the people who have a disaster just as quickly as we possibly can and yet be fiscally responsible to the taxpayers of this country. The amendment simply goes back to the provisions which this House passed on April 30.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Ohio. As a member of the Committee on Public Works, dealing with disaster relief legislation, I believe this matter should be considered by our committee because we have traditionally had jurisdiction over disaster relief measures.

The committee has held extensive hearings. The fact that the gentleman from California (Mr. CORMAN) has supported this amendment, I think, is the most significant testimony to our reasons for deleting this section from the bill thus permitting us to go forward with a more uniform, comprehensive and reasonable disaster relief program. Mr. CORMAN experienced the earthquake disaster of major proportions and has articulated some of the problems he observed in his own district in southern California. I believe others have experienced inequities in the forgiveness provision, which, incidentally, I predicted and pointed out to our members during consideration of this legislation in our committee.

In addition to the inequities, this type of forgiveness inhibits our efforts to develop a comprehensive disaster insurance program which I believe would give us the fastest and fairest type of relief to disaster victims at the minimum cost to the taxpayers.

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

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

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

As I said in my remarks, I know how sincere the gentleman is, but I have heard so much this afternoon about the Committee on Public Works. There is no guarantee that the Committee on Public Works is going to come out with legislation which this House is going to pass.

Mr. J. WILLIAM STANTON. Mr. Chairman, I will have to cut the gentleman off. I only have a few minutes. I know that, with the gentleman's power and with his influence, he can get that committee together and probably meet on Saturday or Sunday. I mean that.

Mr. ANNUNZIO. Mr. Chairman, the gentleman from Ohio has supplied all the weight this afternoon——

Mr. J. WILLIAM STANTON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Chairman, I rise in opposition to the amendment. I might enjoy this exchange of pleasantries but my district has just suffered the worst flood in 200 years. I feel the House will in the future, as I know it has in the past, as in the case of Hurricane Agnes, do the proper thing. We would be receiving only half the forgiveness of Hurricane Agnes victims. I associate myself with the remarks of the gentleman from New York (Mr. BRASCO), the gentleman from Illinois (Mr. ANNUNZIO), and the gentlelady from Louisiana (Mrs. BOGGS), and with other members of the committee, in the hope that we will defeat this proposed amendment and show the people that the House has compassion.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I speak in opposition to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. J. WILLIAM STANTON).

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

RECORDED VOTE

Mr. J. WILLIAM STANTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 167, noes 245, not voting 21, as follows:

[Roll No. 335]

AYES—167

Abdnor	Davis, Wis.	McCloskey
Anderson, Calif.	Dellenback	McCollister
	Dennis	McEwen
Anderson, Ill.	Derwinski	Madigan
Andrews, N.C.	Devine	Mahon
Andrews, N. Dak.	Dickinson	Mann
	du Pont	Maraziti
Archer	Edwards, Ala.	Martin, Nebr.
Arends	Erlenborn	Martin, N.C.
Armstrong	Evans, Colo.	Mathias, Calif.
Ashbrook	Findley	Mayne
Bafalis	Ford, Gerald R.	Melcher
Bell	Forsythe	Milford
Bennett	Fountain	Miller
Blackburn	Frelinghuysen	Minshall, Ohio
Boland	Gibbons	Mitchell, Md.
Bolling	Gilman	Mizell
Bray	Goldwater	Montgomery
Broomfield	Goodling	Moorhead, Calif.
Brown, Mich.	Gross	
Brown, Ohio	Grover	Myers
Broyhill, N.C.	Hammer-schmidt	Nelsen
		O'Brien
Burgener	Hanrahan	Poage
Burke, Fla.	Hansen, Idaho	Powell, Ohio
Burleson, Tex.	Harsha	Price, Tex.
Butler	Heckler, Mass.	Pritchard
Camp	Hillis	Quie
Cederberg	Hinshaw	Quillen
Chamberlain	Hogan	Rees
Clark	Holt	Regula
Clausen, Don H.	Hosmer	Rhodes
Clawson, Del	Huber	Rinaldo
Collier	Hudnut	Roberts
Collins, Tex.	Hunt	Robinson, Va.
Conable	Hutchinson	Rogers
Conlan	Jarman	Roncallo, N.Y.
Conte	Johnson, Colo.	Rooney, N.Y.
Conyers	Jones, Okla.	Rousselot
Corman	Keating	Runnels
Crane	Kemp	Ruppe
Cronin	Ketchum	Ruth
Daniel, Dan	King	Sandman
Daniel, Robert W., Jr.	Lent	Sarasin
	Lujan	Saylor
Scherle	Steiger, Ariz.	Wiggins
Schneebeli	Steiger, Wis.	Wilson, Bob
Sebelius	Symms	Wilson, Charles H., Calif.
Shoup	Talcott	
Shriver	Taylor, Mo.	Winn
Shuster	Teague, Calif.	Wyatt
Smith, N.Y.	Thomson, Wis.	Wydler
Snyder	Thone	Wylie
Stanton, J. William	Towell, Nev.	Young, Fla.
	Van Deerlin	Young, Ill.
Stanton, James V.	Veysey	Young, S.C.
	Waldie	Zion
Steele	White	Zwach
Steelman	Widnall	

NOES—245

Abzug	Giaimo	O'Neill
Adams	Ginn	Owens
Addabbo	Gonzalez	Parris
Annunzio	Grasso	Passman
Ashley	Gray	Patman
Aspin	Green, Oreg.	Patten
Badillo	Green, Pa.	Perkins
Baker	Griffiths	Peyser
Barrett	Gubser	Pickle
Beard	Gude	Pike
Bergland	Gunter	Podell
Bevill	Guyer	Preyer
Biaggi	Haley	Price, Ill.
Biester	Hamilton	Railsback
Bingham	Hanley	Randall
Blatnik	Hanna	Rangel
Boggs	Hansen, Wash.	Rarick
Bowen	Harrington	Reid
Brademas	Harvey	Reuss
Brasco	Hastings	Riegle
Breaux	Hays	Robison, N.Y.
Breckinridge	Hébert	Rodino
Brinkley	Hechler, W. Va.	Roe
Brooks	Heinz	Roncalio, Wyo.
Brotzman	Helstoski	Rooney, Pa.
Brown, Calif.	Henderson	Rose
Broyhill, Va.	Hicks	Rosenthal
Buchanan	Holifield	Rostenkowski
Burke, Calif.	Holtzman	Roush
Burke, Mass.	Horton	Roy
Burlison, Mo.	Howard	Ryan
Burton	Hungate	St Germain
Byron	Ichord	Sarbanes
Carey, N.Y.	Johnson, Pa.	Schroeder
Carney, Ohio	Jones, Ala.	Seiberling
Casey, Tex.	Jones, N.C.	Shipley
Chappell	Jones, Tenn.	Sikes
Chisholm	Jordan	Sisk
Clancy	Karth	Slack
Clay	Kastenmeier	Smith, Iowa
Cleveland	Kazen	Spence
Cochran	Kluczynski	Staggers
Cohen	Koch	Stark
Collins, Ill.	Kuykendall	Steed
Cotter	Kyros	Stephens
Coughlin	Landrum	Stokes
Culver	Latta	Stratton
Daniels, Dominick V.	Leggett	Stubblefield
	Lehman	Stuckey
Davis, Ga.	Litton	Studds
Davis, S.C.	Long, La.	Sullivan
de la Garza	Long, Md.	Symington
Delaney	Lott	Taylor, N.C.
Dellums	McClory	Teague, Tex.
Denholm	McCormack	Thompson, N.J.
Diggs	McDade	Thornton
Dingell	McKay	Tiernan
Donohue	McKinney	Treen
Dorn	McSpadden	Udall
Drinan	Macdonald	Ullman
Dulski	Madden	Vander Jagt
Duncan	Mallary	Vanik
Eckhardt	Mathis, Ga.	Vigorito
Edwards, Calif.	Matsunaga	Waggonner
Eilberg	Mazzoli	Walsh
Esch	Meeds	Wampler
Eshleman	Metcalfe	Ware
Evins, Tenn.	Mezvinsky	Whalen
Fascell	Mills, Ark.	Whitehurst
Fish	Minish	Whitten
Flood	Mink	Williams
Flowers	Moakley	Wilson, Charles, Tex.
Flynt	Mollohan	
Foley	Mosher	Wolff
Ford, William D.	Moss	Wright
	Murphy, Ill.	Wyman
Fraser	Murphy, N.Y.	Yates
Frey	Natcher	Yatron
Froehlich	Nedzi	Young, Alaska
Fulton	Nichols	Young, Ga.
Fuqua	Nix	Young, Tex.
Gaydos	Obey	Zablocki
Gettys	O'Hara	

NOT VOTING—21

Alexander	Danielson	Downing
Carter	Dent	Fisher
Frenzel	Mailliard	Pepper
Hawkins	Michel	Pettis
Johnson, Calif.	Mitchell, N.Y.	Roybal
Landgrebe	Moorhead, Pa.	Satterfield
McFall	Morgan	Skubitz

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROUSSELOT

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

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 4, line 25, after "erosion" add "directly related to a flood, high water or tidal wave."

Mr. ROUSSELOT. Mr. Chairman, the reason for this amendment I think was brought out in the colloquy that occurred during the debate on this bill. It does not change the intent of the committee. It merely makes it more clear and defines it in the language of the bill itself.

On page 5 of the committee report and the top of page 6 it is made clear that the intent of the committee was to make sure that by "erosion" we meant any action that "was caused for the most part by a spontaneous act, such as a flood, high water, or tidal wave."

Now in my opinion the reason and the necessity for this amendment is that it makes legislatively clear that is our intent and that the problems of long-range general erosion will not be considered.

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

Mr. ROUSSELOT. I yield to my friend and colleague, the gentleman from New York.

Mr. BRASCO. Mr. Chairman, I invite the gentleman's attention to page 6 of the committee report in which it indicates in the following language:

Your committee recognizes that erosion is a natural phenomenon in many beach areas. In such cases your committee expects SBA to provide disaster assistance where there has been a demonstrated effort to control the erosion.

The gentleman and I have discussed this amendment before. Does it in any way change the shape or form of the intent of the language that I have just read to the gentleman?

Mr. ROUSSELOT. No, it does not. I say to my colleague there is not any intent to change any of the things that the committee report enunciates very clearly on these pages from which the gentleman from New York has just quoted.

Mr. BRASCO. I thank the gentleman.

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

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

Mr. J. WILLIAM STANTON. Mr. Chairman, I would say to the gentleman we have discussed his amendment. As the gentleman knows, previously I was against his amendment which he made by striking the word "erosion" because I believe it is a word that definitely belongs in this bill, but I would agree the words the gentleman has added would tighten up the bill and I believe the minority, as far as I know, approve.

Mr. ROUSSELOT. I appreciate that.

I know the gentleman has in his district shores of the Great Lakes in which this problem might arise. I appreciate that he must be concerned with the problem of "disaster erosion."

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

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

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I support the thrust of the gentleman's amendment. I had an amendment I was working on in which erosion should not be limited to beaches.

We have the problem of erosion in our area on the rivers and on what we call the arroyos or creeks. The bill does not in itself limit it to beaches, but the report specifically says "beaches."

Mr. Chairman, I was wondering if the committee would clarify the legislative intent.

Mr. ROUSSELOT. Mr. Chairman, I think if the gentleman will read on both pages 5 and 6 of the committee report, it does refer to the problems of "high water." I think that the situation to which the gentleman refers is clearly included as it relates to flood plain areas. I think that has already been defined by the Small Business Administration itself. I think the gentleman is well covered under this particular provision of the "high water concept" and/or any of the other related matters discussed on those two pages make the legislative intent very clear in that record.

Mr. DE LA GARZA. Mr. Chairman, I would not like to take more time from the gentleman from California, but on my own time I would like to clarify this from the chairman of the subcommittee.

Basically, I support the amendment.

Mr. ROUSSELOT. Mr. Chairman, I appreciate that support, and I urge support of this amendment.

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

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

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I am glad to see that the committee has covered losses attributable to erosion, but I note that the act of the committee, according to the report on page 6, says this:

> Great caution to make certain that the erosion was caused for the most part by a spontaneous act, such as flood, high water, or tidal wave—

Mr. Chairman, we have a peculiar situation in the city of Chicago which has to do with many beaches along the Great Lakes. They are at the highest point in their history. The height of the water varies from year to year, depending upon the cycles that occur in the lakes.

Over the next period of 7 years, for example, the water may go down. Seven or 8 years ago, we had a situation where the water was at a low level, and there was no damage. As a result of the high level of the lakes, erosion of beaches is taking place, erosion of seawall is taking place so that homes, apartment buildings, and condominiums along the lakeshore in the city of Chicago are being damaged.

Mr. Chairman, I ask the gentleman, should not that kind of damage caused by high water be covered as well under the terms of this act?

Mr. STEPHENS. Mr. Chairman, I think the language is broad enough to cover that.

Mr. YATES. Mr. Chairman, I thank the gentleman very much.

Mr. STEPHENS. Mr. Chairman, let me make one statement. I rise in support of the amendment made by the gentleman from California (Mr. ROUSSELOT). I have discussed it with the Members on our side, as well as with the ranking minority member of the committee on the other side, and we are happy to accept this amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I am concerned that the report states "erosion on beaches." In our part of the country, we have erosion on the rivers and on the arroyos and creeks after floods. I agree with the amendment of the gentleman from California that it must be an occurrence and not gradual erosion, but I would like to know if the legislative intent precludes the erosion of a river bank or an arroyo bank or a creek bed.

Mr. STEPHENS. Mr. Chairman, it would certainly be the intent of the committee language on flooding or high water to include a river, creek, or arroyo.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for his answer.

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

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

Mr. KEMP. I wish to associate myself with the remarks of the gentleman from Illinois (Mr. YATES).

I personally know, from the many conversations I have had with constituents at town meetings which I have held throughout my district, the tragic damage which has been caused to both personal property and to the environment by shoreline erosion.

I have visited the affected areas along the shores of Lake Erie and have seen instances where property in which entire life savings have been invested is being washed away. Erosion can cause as much—or more—damage as a serious flood. For example, a storm that battered the southern shore of Lake Ontario from March 16 through March 26 of this year caused an estimated $1 million in property damage and shoreline erosion.

These people urgently need and must have immediate assistance such as that provided by this amendment because the Corps of Engineers is presently prohibited from correcting these critical erosion problems where such erosion exists on private property.

This amendment will also complement the efforts to find a solution to high lake level erosion now being made by the Conference of Great Lakes Congressmen, of which I am a member, by the International Joint Commission, and by the Corps of Engineers.

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

Mr. STEPHENS. I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I would like to ask the gentleman from Illinois (Mr. YATES), because I also have a district bordering on Lake Michigan, whether this amendment would include the high water of which the gentleman made reference and would cover the situation with which he and I are concerned.

Mr. YATES. Mr. Chairman, the point I was attempting to make was with respect to the course of spontaneity which was in the report of the committee.

The question was as to whether or not it had to be a flash storm or a flood or whether the damage caused by the high water could be caused by the rising water of a lake, which was cyclical in character. As I understand the answer by the gentleman from Georgia, that kind of damage caused by the cyclical rising of water such as in the Great Lakes would be covered as well. That is correct, is it not?

Mr. STEPHENS. That is correct.

Mr. McCLORY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DE LA GARZA: Amend H.R. 8606 section 4 on page 4 by striking out all after the word "annum." on line 12 of said bill, through line 14.

Mr. DE LA GARZA. Mr. Chairman, this amendment relates to a dialog we had shortly before with the chairman of the subcommittee. This amendment will strike out the part that says if a person refinances a loan that his payments shall not be lower than the previous payments he was making.

I offer to strike out this wording because of the situation in our area, that when we have a major flood the economy just comes to a standstill, and the people have no income at all, so if they refinance of necessity an individual must see that he has lower payments or for some time must forestall the payments.

I believe this would do great harm to people in the lower economic levels in the disaster areas.

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

Mr. DE LA GARZA. I am glad to yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, we have discussed the amendment offered by the gentleman from Texas. So far as our side is concerned, we would accept it.

It looks as if this would cause difficulty for someone, as the gentleman has pointed out in our prior colloquy, who

might be put at a disadvantage as a result of not having a job. That could be taken into consideration when the man goes to make the loan, as to whether he can pay for it. I believe we should not penalize someone.

Mr. DE LA GARZA. I thank the Chairman very much.

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

Mr. DE LA GARZA. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I am sorry we did not have a copy of the amendment. It is my understanding that the gentleman would strike the words:

In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.

Mr. DE LA GARZA. That is correct.

Let me apologize for not making a copy of the amendment available. I had only one copy.

Mr. J. WILLIAM STANTON. I appreciate that.

Mr. DE LA GARZA. Mr. Chairman, I yield back the remainder of my time.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the necessary number of words.

I believe we had better just slow down a minute before we consider this legislation. Even back at the time of Hurricane Agnes and the troubles in California we put this language into the legislation which says:

In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.

I say to the Members of the Committee it was at the time thought there was a good rationale for doing this. If we get into a case like Hurricane Agnes, we gave 193,000 small business loans, and one cannot claim it is the law of the land for the taxpayers to provide that persons who got those loans can go in and refinance them and get just as low as possible a loan as they can on their houses and pay less than they were paying before.

I think that if he has a $2,500 forgiveness and he is getting a one percent loan and refinancing that, he should keep his loan at the present rate.

I believe the gentleman has not given full significance to the fact that down the line this is a bonanza which is going to cost just a tremendous amount of money, and I believe it was put in there at that time in good faith.

I would ask the author of the amendment: What was the rationale? The gentleman must have had a good rationale to do this.

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield, I will explain it.

Mr. J. WILLIAM STANTON. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, we are not giving anyone anything. This has nothing to do with the amount of the loan that a person has, as I read the legislation. It has nothing to do with the amount of interest that he is to be charged. That is controlled by the legislation.

Mr. Chairman, all this says is that after refinancing, the payments cannot be lower than the payments he was making.

Mr. J. WILLIAM STANTON. That is correct.

Mr. DE LA GARZA. And now, we are not giving anyone anything. He still has to pay the full amount. He still has to pay whatever interest the legislation says he must pay. The rationale is that having gone through these disasters in a very poor area unfortunately of the United States, in a basic agricultural economy, once we have a flood situation such as we had, the people have no employment afterwards.

Of necessity, if he is flooded a second time and he is financed, he has to refinance in order to take care of his existing indebtedness to the Government. Now, he could just let it go and not pay anything back.

Mr. J. WILLIAM STANTON. Mr. Chairman, I say to the gentleman that is exactly, I am sorry to say, the reason that I must register my opposition to this.

The man has a payment to make on his house of $100 a month. He gets a disaster loan; he can take the $5,000 or $2,500 forgiveness, he can take the additional government financing, and he could use the subsidized refinancing and go back in the market and refinance his home at a lower rate.

Mr. DE LA GARZA. If the gentleman would explain to me——

Mr. J. WILLIAM STANTON. Mr. Chairman, I think subsidized money should not be used for that purpose. I agree wholeheartedly the gentleman presents a problem, but I do not think the gentleman makes a point that we should be considering.

Mr. DE LA GARZA. If the gentleman will yield, that is what the bill said basically, and this is what my amendment provides.

Mr. J. WILLIAM STANTON. Mr. Chairman, I will say that I hope sincerely that I am wrong, for I feel the amendment is going to pass. I sincerely hope so. Certainly I wanted to tell the Members of the Committee that there was a good reason at the time for putting this legislation in quite a few years ago.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. DE LA GARZA).

The question was taken; and on a division (demanded by Mr. DE LA GARZA) there were—ayes 32, noes 46.

Mr. DE LA GARZA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

PREFERENTIAL MOTION OFFERED BY MR. CORMAN

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

The Clerk read as follows:

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

Mr. CORMAN. Thank you, Mr. Chairman.

I hesitate to use this motion to get 5 minutes of the Committee's time. I have never done it before. I have had occasion to speak three times on my objection to the flat forgiveness provision in the disaster relief program. The longest period of time was today when I had a full minute. The other times were less than a minute, because each time the Committee decided to cut off debate on that issue.

Mr. Chairman, I plead with the Banking and Currency Committee to give the American people a better disaster program than they are given with this provision. It is terribly wasteful of Federal dollars. I do not object to the dollars being spent. I would vote for more money than that for which you ask in this bill. But, for equity's sake, help must be given reflecting the degree of loss rather than a flat amount.

So long as there is a flat amount of forgiveness in the program there is no necessity for people to be fraudulent; the unfairness persists. There are many problems which result from confusing a loan with a benefit which the public considers more in the nature of a gift. If $30,000, $40,000, or $50,000 worth of damage is incurred, the forgiveness is the same. That is absurd.

In addition, the Committee should remove the requirement that those who are injured must establish their ability to repay the loan. That is cruel.

Tremendous millions of dollars are wasted in helping people who suffer little damage. On the other hand, the very poor who suffer great losses quickly learn that the Federal Government will loan them money only if they can demonstrate their financial solvency.

Those same dollars which are given away should be spent on more comprehensive disaster relief, guaranteeing all Americans who suffer during natural disasters fair and equitable treatment.

To my knowledge, the California earthquake was the first one in which this law was fully implemented. Most of the damage in the California earthquake was done in my own district. Now, over 2 years later, we are still trying to get help for some whose homes were totally destroyed. Yet, more than $200 million was spent in that disaster. Most of it went to people who suffered small losses with comparatively much less going to those with substantial losses.

We owe it to the American people to provide better assistance in times of natural disaster. It is all well and good to come to the House floor and cry crocodile tears about the poor victims of disaster. I share that concern, but feel they are entitled to something more intelligent than that which is offered in this bill.

Mr. ROUSSELOT. Will the gentleman yield?

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

Mr. ROUSSELOT. I thank the gentleman for yielding to me.

I know from first-hand experience the agonizing experience the gentleman went through during the California earthquake disaster in his district. I know of his first-hand experience with the problems that arose in administering this

kind of law with the type of forgiveness clause mentioned by Mr. CORMAN.

Both he and the Senator from California, Mr. CRANSTON, held extensive hearings on this subject.

I compliment the gentleman on his remarks and know the weight of experience behind his remarks. I hope his colleagues on the other side of the aisle will listen to him, because he is right, and I am sorry that they did not listen to him sooner.

Mr. CORMAN. I thank the gentleman.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. CORMAN. I yield to the gentleman.

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

I would also like sincerely to congratulate the gentleman on his remarks and commend him for making them. It takes courage, especially when you represent an area that has had a great loss but where you have a limited amount of funding that goes to satisfying the needs of those suffering from these disasters.

It seems to me, as the gentleman said, that we can do a much better and much more equitable job in the distribution of that funding.

Again I congratulate the gentleman.

Mr. CORMAN. I thank the gentleman.

Again I would suggest to the members of the Banking and Currency Committee, if the Senate comes in with something more reasonable and something that reflects the amount of loss in the forgiveness, I plead with you to give it careful consideration.

I personally believe that Federal disaster assistance is an insurance policy for which we all pay, and it is something we should have, but the benefits must reflect the degree of loss in order to be fair. The requirement of demonstrating ability to repay must be removed if we are to take care of those who are very poor and suffer great loss.

Mr. STEPHENS. Mr. Chairman, I rise in opposition to the motion made by the gentleman from California (Mr. CORMAN).

Mr. Chairman, I am not going to argue the merits of what the gentleman from California has said. All I am going to say is that if the Members vote for what the gentleman from California has proposed, then we will have no Small Business Administration bill. We face the expiration of that act, and the resulting inability to make no loans after the first of August if you vote for the preferential motion. It is just as simple as that, without arguing the merits of it.

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

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

Mr. J. WILLIAM STANTON. I thank the gentleman for yielding, and I wish to say that I am very sorry, but we must have missed the first part of what the proposal made by the gentleman from California was. Did the gentleman from California make a definite proposal?

Mr. STEPHENS. Yes, the gentleman from California offered a preferential motion that the Committee rise, and report the bill back to Committee with the recommendation to strike everything after the enacting clause.

Mr. J. WILLIAM STANTON. I thank the gentleman.

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

The preferential motion was rejected.

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

Mr. Chairman, I note that there is a new category of loan to be made under the terms of this bill—to those who may be adversely affected by the closing of military installations. But I find no time limits with respect to applying for these loans. Are the loans to be prospective, or are they to be retroactive, and if retroactive, how far back do they go?

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

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

Mr. STEPHENS. The best legal answer to the inquiry of the gentleman from Iowa (Mr. GROSS) is that this becomes effective with the time this bill is enacted, because there is no date announced in it. So I take this to be, and believe it is intended to be, as far as I am concerned, that it would be available to people now and people who have been affected within a recent closing of a base, and those who were affected by the closing of a base, but it would not be an indefinite retroactive kind of thing like a base that was closed in World War II, or anything like that.

If that is what the gentleman has in mind.

Mr. GROSS. As far as I can determine under the terms of this section 7 of the bill, or in the report, there is no reference to any time frame. When the gentleman from Georgia says, "recent," I wonder what "recent" means.

Mr. STEPHENS. I am sure the intent under the proposal is for those recently made, an announcement made by the Department of Defense, about bases being closed all over the United States, so as to cut down on the cost of our Military Establishments.

Mr. GROSS. I assume, or am I incorrect in assuming, that these low-cost loans have the same forgiveness feature as other SBA loans provided in this legislation?

Mr. STEPHENS. There would not be any forgiveness in these loans.

Mr. GROSS. No forgiveness?

Mr. STEPHENS. Because these are not classified as a disaster within the sense of the other disaster loans. It is a disaster to the people who have lost their jobs, and their businesses, but in a technical sense.

Mr. GROSS. Is it not true that in most instances when a military installation is located in a community, that it is welcomed with open arms? And do not those who invite military installations into their districts, which is often the case, do they not also know that these installations may be transient and can be closed within a matter of days? Do they not expect to take some risk for inviting those installations into their area, or community?

Mr. STEPHENS. I am sure that what the gentleman from Iowa says is true, but there is a hardship caused when the choice has been made to put in an installation at some place, and then after a number of years of practicing their business there, the installation is closed without such an individual knowing that that is going to be done when the base comes in.

It is true that businesses will expand, but those businesses provide services for people who are at the military installations, and they would have to go some other place if they did not come in when they could come in.

Mr. GROSS. Is the next step to provide low-cost loans in a community where a factory may be established and then go out of business? Are the taxpayers of the Nation supposed to come along and provide low-cost loans to these people, too? Is this the next socialistic step?

Mr. STEPHENS. There is a difference in that and in this. This is the action of the U.S. Government, and what the gentleman is talking about in the other situation is the action of some private company. There is a difference, and where we have the U.S. Government into somebody, then we do owe them some responsibility.

Mr. GROSS. I am not willing to admit that the fact of the location of a military installation and then the closing of that installation should be subject to this kind of treatment to the property owners and others in such situations. There are others equally distressed for other reasons who get no such beneficial treatment.

I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make an inquiry of the committee as to who qualifies for the Small Business loans provided for in this bill. For example, a few moments ago I raised the question of homes that were damaged as a result of the rising waters of the Great Lakes. In my district we have high-rise structures along the shore of Lake Michigan, including many cooperative apartments and many condominiums. This is my question: Would the owners, the multiple owners, of such homes qualify for disaster loans under this bill to repair damage caused by erosion?

Mr. STEPHENS. The first question is, who is eligible? It is anybody who has been injured by a disaster, regardless of their affluence. However, I have expressed the belief that I did not think that was right. That was just my personal opinion. I think what the gentleman is talking about there would be, as he says, a condominium?

Mr. YATES. A condominium or cooperative apartment where there is mul-

tiple ownership, where there are as many as 2 owners, 3, 4, 50, 60, 70, all of whom are engaged in a cooperative venture to house themselves.

Mr. STEPHENS. They would be covered, but the beach area, if it were municipally owned, would not. If there is a beach area in front that is publicly owned, then the municipality or the county, whoever owns it, could not come in and ask for any small business assistance.

Mr. YATES. I am asking with respect to a situation in which the condominiums or the cooperative apartments own the beach area on the lake. Most of these have built a seawall to protect themselves. Others have suffered damage as a result of not being able to keep the waters of the lake out.

Mr. STEPHENS. If the gentleman will yield, I would say they could.

Mr. YATES. It is covered in this bill? They would qualify for relief?

Mr. STEPHENS. I would think so, yes.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALDIE, 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. 8606) to amend the Small Business Act, pursuant to House Resolution 485, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 485, the Committee on Banking and Currency is discharged from further consideration of the bill (S. 1672) to amend the Small Business Act.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PATMAN moves to strike out all after the enacting clause of S. 1672 and to insert in lieu thereof the provisions of H.R. 8606, as passed, as follows:

AUTHORIZATION

SECTION 1. Paragraph (4) of section 4(c) of the Small Business Act is amended—

(1) by striking out "$4,300,000,000" and inserting in lieu thereof "$6,600,000,000";

(2) by striking out "$500,000,000" where it appears in clause (B) and inserting in lieu thereof "$725,000,000";

(3) by striking out "$500,000,000" where it appears in clause (C) and inserting in lieu thereof "$600,000,000"; and

(4) by striking out "$350,000,000" and inserting in lieu thereof "$475,000,000".

LOANS TO MEET REGULATORY STANDARDS

SEC. 2. (a) Section 7(b)(5) of the Small Business Act is amended to read as follows:

"(5) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to or alterations in its plant, facilities, or methods of operation to meet requirements imposed on such concern pursuant to any Federal law, any State law enacted in conformity therewith, or any regulation or order of a duly authorized Federal, State, regional, or local agency issued in conformity with such Federal law, if the Administration determines that such concern is likely to suffer substantial economic injury without assistance under this paragraph: *Provided*, That the maximum loan made to any small business concern under this paragraph shall not exceed the maximum loan which, under rules or regulations prescribed by the Administration, may be made to any business enterprise under paragraph (1) of this subsection; and".

(b)(1) Section 7(b)(6) of the Small Business Act is repealed.

(2) Paragraph (7) of such section 7(b) is redesignated as paragraph (6).

(c) Section 28(d) of the Occupational Safety and Health Act of 1970 (Public Law 91–596) is amended by striking out "7(b)(6)" and inserting in lieu thereof "7(b)(5)".

(d) In no case shall the interest rate charged for loans to meet regulatory standards be lower than loans made in connection with physical disasters.

CONFORMING TECHNICAL AMENDMENTS

SEC. 3. (a) Subsection (g) of section 7 of the Small Business Act, as added by section 3(b) of the Small Business Investment Act Amendments of 1972, is redesignated as subsection (h).

(b) Subsection (c) of section 4 of the Small Business Act is amended by striking out "7(g)" each place it appears in paragraphs (1)(B), (2), and (4) and inserting in lieu thereof "7(h)".

DISASTER LOANS

SEC. 4. (a) The second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "July 1, 1937," the first time it appears therein and inserting in lieu thereof "July 1, 1975".

(b) Subparagraph (D) of the second paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following: "with respect to a loan made in connection with a disaster occurring on or after April 20, 1973, but prior to July 1, 1975, and notwithstanding section 9 of Public Law 93–24, the Small Business Administration shall, at the option of the borrower, either cancel $2,500 of the loan and make the balance of such loan at an interest rate of 3 per centum per annum, or make the entire loan at an interest rate of 1 per centum per annum. In the event of the refinancing of a home or a business, the monthly payments after the refinancing shall in no case be lower than such payments prior to the disaster.".

LIVESTOCK LOANS

SEC. 5. Section 7(b)(4) of the Small Business Act is amended by inserting before the semicolon at the end thereof the following: ": *Provided*, That loans under this paragraph include loans to persons who are engaged in the business of raising livestock (including but not limited to cattle, hogs, and poultry), and who suffer substantial economic injury as a result of animal disease".

EROSION ASSISTANCE

SEC. 6. Section 7(b)(1) of the Small Business Act is amended by inserting "erosion directly related to a flood, high water or tidal wave," immediately after "floods,".

LOANS FOR ADJUSTMENT ASSISTANCE IN BASE CLOSINGS

SEC. 7. Section 7(b) of the Small Business Act is amended by adding after paragraph (6) the following new paragraph:

"(7) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a new business, or in establishing a new business if the Administration determines that such concern has suffered or will suffer substantial economic injury as the result of the closing by the Federal Government of a major military installation under the jurisdiction of the Department of Defense, or as a result of a severe reduction in the scope and size of operations at a major military installation."

ANNUAL REPORT ON STATE OF SMALL BUSINESS

SEC. 8. The first sentence of subsection (a) of section 10 of the Small Business Act and the first word of the second sentence of such subsection are amended to read as follows: "The Administration shall, as soon as practicable each calendar year make a comprehensive annual report to the President, the President of the Senate and the Speaker of the House of Representatives. Such report shall include a description of the state of small business in the Nation and the several States, and a description of the operations of the Administration under this chapter, including, but not limited to, the general lending, disaster relief, Government regulation relief, procurement and property disposal, research and development, technical assistance, dissemination of data and information, and other functions under the jurisdiction of the Administration during the previous calendar year. Such report shall contain recommendations for strengthening or improving such programs, or, when necessary or desirable to implement more effectively Congressional policies and proposals, for establishing new or alternative programs. In addition, such".

ANTI-DISCRIMINATION AMENDMENT

SEC. 9. Section 4(b) of the Small Business Act is amended by adding after "the Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator." the following new sentence: "In carrying out the programs administered by the Small Business Administration, including its lending and guaranteeing functions, the Administrator shall not discriminate against any person or small business concern receiving assistance from the Small Business Administration based on sex, and the Small Business Administration shall give special consideration to veterans of United States military service and the survivors of their immediate families.".

The motion was agreed to.

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

A similar House bill (H.R. 8606) was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

U.S. POSTAL SERVICE AUTHORIZATION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 438 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 438

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2990) to provide for annual authorization of appropriations to the United States Postal Service. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. Speaker, this resolution which makes in order a bill that came out of the Post Office and Civil Service Committee by an overwhelming vote was held up in the Rules Committee for a time. The Rules Committee finally released the bill because of the skillful tactics of our friend the gentleman from Iowa (Mr. GROSS), and under threat of his using a parliamentary device that is seldom used successfully. The Rules Committee and I guess one might say the leadership of the House succumbed to the tactics of the gentleman from Iowa (Mr. GROSS) on the resolution, and presumably after its adoption the bill will then be considered, courtesy of the gentleman from Iowa (Mr. GROSS).

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

Mr. LATTA. Mr. Speaker, let me say I was one of those who was an early supporter of the bill offered by Mr. GROSS and had I had my way this bill would have been reported the first day it came before the Rules Committee.

I certainly think the House and the other body should pass this bill with the least amount of delay. I do not believe there is anybody in this House who will say the Postal Service is not in need of some kind of revision. This is the first piece of legislation we have had since we passed that monstrosity setting up the Postal Corporation which gives us the opportunity of doing something about that service, I suggest we contact the people who work in our offices or who live in our districts.

This bill will give the Congress once again some kind of handle on this Postal Corporation which seems to have gotten out of hand.

Mr. Speaker, I commend the gentleman from Iowa for presenting this legislation and the committee for reporting it and I support the rule and wholeheartedly support the legislation.

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

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

Mr. GROSS. Mr. Speaker, I would like to thank the gentleman from Ohio for his explanation and support for the bill, and also the gentleman from Missouri (Mr. BOLLING) for his lucid and accurate description of what took place parliamentarywise with respect to this bill.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2990, with Mr. MAZZOLI in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. DULSKI) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New York (Mr. DULSKI).

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

Mr. Chairman, I rise in support of H.R. 2990, which provides for annual authorization of appropriations to the Postal Service.

This bill, on its face, is a relatively simple bill, but its substance is highly significant.

Under the Postal Reorganization Act of 1970, appropriations are authorized annually to the United States Postal Service in three categories:

First. Revenues it receives from postage sales and other services;

Second. Public service costs; and

Third. Revenue foregone.

H.R. 2990 would not affect the appropriation for its revenues under the first category. It does eliminate the automatic authorization for annual appropriations in the latter two categories; that is, public service and revenue foregone, since the bill, if enacted, would require the Postal Service to secure this authorization for appropriations on an annual basis.

Although both the Postal Service and Office of Management and Budget oppose this legislation, I strongly urge its pasage by the House.

Our committee has attempted to monitor closely the operation of the new postal establishment. We have established two subcommittees which have legislative oversight jurisdiction over the Postal Service. Each is doing outstanding work, but their task could be made easier and more effective if more cooperation were forthcoming from the Postal Service.

It is my belief that full cooperation would be a distinct probability if this bill were enacted. Responsiveness on the part of the Postal Service is assured only to its Board of Governors. It must also be made to be responsive to the elected representatives of the people it serves. This bill would assure that.

It is not our intention thereby to interfere with postal operations, but merely to insure complete and full sensitivity to our legislative oversight responsibilities.

Mr. Chairman, I strongly recommend passage of H.R. 2990.

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

Mr. GROSS. I shall yield later, if I have the time.

Mr. Chairman, at the outset, I would like to express my appreciation to the gentleman from New York (Mr. HANDLEY), the capable chairman of the Subcommittee on Postal Operations, for his excellent assistance and cooperation in acting on this bill. Since the gentleman and his subcommittee have been engaged in extensive studies of poor postal service throughout the United States, he is acutely aware of the urgency for Congress to exercise a closer oversight review of all postal operations.

As the gentleman from New York indicated, H.R. 2990 is intended to recapture a measure of Congressional jurisdiction over the U.S. Postal Service.

The need for reassertion of congressional responsibility over this agency of the executive branch transcends the usual arguments of congressional versus executive authority.

The Postal Reorganization Act created a situation with respect to the Postal Service that is unique throughout the Federal Government. In the Postal Service we have a major Federal agency created by the Congress; the second largest employer of Federal employees; spending large sums of taxpayers' money; performing a vital governmental service without which this country could not exist—yet, incredibly, not having any of its top management personnel account-

able in any way to the people through their elected Representatives. The Postmaster General and the Deputy Postmaster General, who are charged by law with the responsibility of operating the Postal Service, are appointed by—and can only be removed by—a majority vote of a Board of Governors. There is no way by which the President of the United States or any other elected public official can affect the appointments or tenures of office of these agency heads.

With the passage of H.R. 2990 and the requirement that Postal managers must come before the Congress on a regular, periodic basis to secure authorization for the expenditure of public money and to account for how they spend that money, the Congress, at least, will have some input to postal management on a continuing basis with regard to major policy areas and decisions.

I would point out that the authorization requirement contained in the bill will not involve the Congress in the day-to-day routine operations of the Postal Service. Certainly, it will not reinject politics or political considerations into the Postal Service—which were eliminated with the passage of the Reorganization Act. The ban against politics remains in the law, and I personally would oppose any attempt to again open the door to political considerations.

Mr. Chairman, I think it is highly significant that an objective report which I received from the General Accounting Office—and which I placed in the CONGRESSIONAL RECORD of January 18, 1973, concluded that the Postal Service is worse today than it was in the latter half of fiscal year 1969 prior to the effective date of the new United States Postal Service.

This is true even though the Postal Service in conducting its own tests and surveys—does not count Sundays and holidays in computing the time it takes to deliver first class mail, and also chooses not to count the time it takes for first-class mail to be collected, transported, prepared for postmarking, sorted for delivery by carriers, or delivered.

Even by mismanaging the statistics, the new Postal Service cannot make mail service appear any better today than it was in 1969.

The question arises then, will enactment of H.R. 2990 improve mail service?

Mr. Chairman, it is my firm opinion that if the people of the United States want mail service to be improved, and if their Representatives in Congress have any authority in the matter, it will be improved.

The quality of mail service in this country depends largely on management decisions made here in Washington in Postal Service headquarters.

By making these Postal managers and their decisions more responsive to the needs and will of the American people through their elected Representatives in the Congress, the people are bound to get the quality of mail service they need and want.

The choice here is quite simple. We can either vote against the bill and continue to let this new Postal Service drift along in a bureaucratic limbo, hoping that, somehow, things will get better—or—we can vote for this bill, reassert congressional authority over the Postal Service and do everything we can to make certain that things get better.

The management of this new Postal Service has had over two and a half years' time to make things better. They obviously have not succeeded.

I urge that you vote for this bill.

Mr. Chairman, I will now yield to the gentleman from Illinois (Mr. DERWINSKI) if he wishes me to do so.

Mr. DERWINSKI. Mr. Chairman, I really do not know what the procedure is at this point. It is an unusual situation, in which the time on both sides is controlled by supporters of the bill.

May I ask, does the gentleman from New York (Mr. DULSKI) intend in some way to share this time with the honored opponents of this measure?

Mr. GROSS. Mr. Chairman, I was not aware that the gentleman had asked for time or I would have given him time. I will be glad to yield to the gentleman a reasonable amount of time.

I know of no legislation that requires the minority to be recognized on any bill except under suspension of the rules and then only if the opponent qualifies as an opponent. If the gentleman knows of any other situation of that kind, I wish he would tell me.

Mr. DERWINSKI. No, I do not intend to argue the point.

Mr. GROSS. The gentleman cannot argue that point.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield to me?

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

Mr. WILLIAM D. FORD. Mr. Chairman, I think the gentleman is entitled to be honored the unique position of being in opposition in respect to this legislation. It was reported in our committee by a vote of 22 to 1, and I think the gentleman should be accepted as the minority of 1. I think it is generous of the gentleman from Iowa to grant him time. I think he should have one-twenty-third of the time available to represent his position.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Michigan for his observation. I point out to the gentleman and to the other Members of the House that the rule specifies that the ranking minority member of the committee control the time on this bill.

Mr. DULSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. HANLEY), the chairman of the subcommittee.

Mr. HANLEY. Mr. Chairman, H.R. 2990 deals with authorizations for appropriations to the U.S. Postal Service.

The Postal Reorganization Act, which we passed in 1970, provides for permanent authorizations for three basic categories of costs:

First. For reimbursement to the Postal Service for public service costs incurred in providing maximum nationwide service and for communities where post offices may not be self-sustaining;

Second. For revenue foregone by reason of carrying mail free or at reduced cost as required under law; and

Third. For the transitional costs incurred in the shift of functions of the Post Office Department to the new Postal Service and to ensure a rate policy consistent with Chapter 36 of title 39.

H.R. 2990 simply provides for an annual, rather than permanent, authorization for public service and revenue foregone costs. For fiscal year 1974, appropriation requests for public service costs amounted to $920,000,000; and for revenue foregone, $392,000,000. These amounts are scheduled to be reduced in each successive year until the Postal Service theoretically reaches a break-even point in 1984. However, in my opinion, Congress will be required to consider some appropriations for these categories even subsequent to 1984, in particular for revenue foregone for mail which is, under law, sent at a reduced rate or free. H.R. 2990 does not affect the provisions of the Postal Reorganization Act relating to permanent appropriations for revenue generated by the Postal Service or the permanent authorization for transitional expenses.

H.R. 2990 was approved by the Postal Service Subcommittee on March 7, 1973, by a unanimous vote. On March 29, the full committee approved the measure by a record vote of 22 to 1. The bill deserves equally strong support here today.

Hearings were not held on H.R. 2990 because they were not necessary. The position of the administration toward annual authorizations is crystal clear as reflected in the President's budget message for fiscal year 1974 which urges elimination of all annual authorizations. The Postal Service's opposition has been fully articulated and is included in the report on the bill. This opposition is understandable in view of the Postal Service's reluctance to recognize Congress interest in efficient postal service for the American people.

In the opinion of the committee, the issue is clear cut: it is a policy matter to be decided by the Congress. This policy is entirely within the jurisdiction of Congress and, more specifically, the Committee on Post Office and Civil Service. Essentially it was the committee which developed the Postal Reorganization Act which included permanent authorizations, and it is the committee which is, in essence, requesting approval now for annual authorizations. Thus, it is an internal matter, which did not require hearings.

However it is unfair to say, as does the lone committee dissenter to H.R. 2990, that the bill was developed "in camera." Certainly, there was no secret when the bill was dropped in the hopper, since we subsequently received both administration views in opposition to the measure, and expressions of support from many Members of the House. Some 75 Members, including myself, sponsored

or cosponsored similar legislation. The issue, in fact, was fully aired in open and previously announced meetings of both the subcommittee and full committee.

Annual authorizations are certainly nothing new to Congress, as all of us can attest. The report on the bill lists only a few of the numerous annual authorizations which are funneled through almost every congressional committee with substantive jurisdiction over governmental programs. The common ground upon which all of these annual authorizations stand is that they cover programs which Congress feels need yearly attention for various policy reasons.

Certainly, with the Postal Service undergoing a major, and often painful, transition as a result of the Postal Reorganization Act, it falls in the category of a program requiring more than casual attention by the Congress and its committees.

Also, neither this body nor the Postal Service need be unduly concerned that the passage of this legislation will cause unnecessary delays in appropriations. I can personally guarantee that while I am chairman of the Postal Service Subcommittee, we will act early and expeditiously on any authorization legislation. And the full Post Office and Civil Service Committee has never shirked its responsibility before to act with care and dispatch on legislation requiring immediate consideration.

All of us have become painfully aware of the many complaints we have received from our constituents relating to poor mail service. The Postal Service Subcommittee is currently holding an extensive series of hearings both here and in the field to determine the extent to which the complaints are justified.

And certainly, there is no guarantee to the Postal Service or any other branch of Government that appropriations will be enacted before the end of the fiscal year, even without annual authorizations, as even a cursory glance at the calendar will prove. Continuing resolutions are not hard to come by and certainly would not hurt the Postal Service which hopes that appropriations requests will gradually decline, rather than increase. Nevertheless, you can count on us to act quickly on authorization legislation.

Congress approved the separation of the Postal Service from politics, but we certainly never intended to eliminate our constitutional responsibility to the people of this country to oversee the creature we wrought. I have been disappointed that the Postal Service has in the past almost totally ignored the legitimate interest of Members of Congress and the constituents they represent in the smooth and efficient handling of our mail.

We, in Congress, have spent a great deal of time and energy talking about the reassertion of congressional prerogatives in the face of growing executive power. H.R. 2990 would help us to strengthen the role of Congress in the critical area of postal affairs. It would help the Post Office and Civil Service Committee conduct its oversight activities. And, more important, it would give Congress a more meaningful vehicle by which it could tell the Postal Service—through authorization legislation—what it feels necessary to provide the best possible service to the American people.

And let me set everyone's mind to rest. With this bill, we are not trying to get our nose under the tent. We do not intend nor do we want to get back into involvement in the day-to-day operations of the Postal Service. If this bill can be so construed, then so can every authorization or appropriations bill we have ever considered for any phase of governmental operations.

And let us not be misled into believing that the new postal managers are such models of efficiency that no checks or balances need be exercised by Congress.

The famous—or infamous—Secaucus bulk mail facility in New Jersey, which is being placed into operation this year, was originally estimated to cost $62.3 million. After an incredible series of blunders and conflict-of-interest charges in almost every phase of the project, the cost rose to a breathtaking $130.1 million, a 109 percent overrun. Unfortunately, we cannot be assured that similar errors will not occur during the current nationwide building program being undertaken by the Postal Service.

Last year, we received testimony that more than $7 million in architectural and engineering work had gone down the drain because of project cancellation, and there is every reason to believe that this is only a drop in the bucket.

And, some 3 years ago a $4 million contract was let to a firm with almost no prior experience in the field to conduct a comprehensive job evaluation study. Experienced and nationally known firms actually had lower bids. To this day, we can get little information about the results of this initial study, and there are solid indications that the results were so bad, that they had to be virtually scrapped.

These few examples argue forcefully for the need for continued oversight by the Post Office and Civil Service Committee, a function which will be considerably enhanced by the passage of H.R. 2990.

In short, enactment of H.R. 2990 will give Congress and the Post Office and Civil Service Committee a more meaningful voice in the operations of the Postal Service without returning to the discredited patronage politics of the past. I strongly urge its passage.

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

Mr. HANLEY. I yield to the gentleman from Illinois for a question.

Mr. DERWINSKI. I appreciate the gentleman's clarifying the situation as to why a subcommittee moved this bill out without any hearings but has now gone into supposedly extensive hearings in the Postal Service. Should not the gentleman first have held hearings before acting on a bill of this nature?

Mr. HANLEY. May I say to the gentleman we were dealing with two separate, entirely different creatures. As the gentleman knows, the effort on the part of the subcommittee with regard to the Postal Service is a general effort to determine where the shortcomings are, and, as the gentleman knows, we are putting a great deal of time and effort into this matter. Subsequently we will come back with either administrative recommendations or perhaps legislative recommendations, so that deals with an entirely different gamut as opposed to what we are talking about here today, which is the matter of authorizations only.

The gentleman knows we have floating executives in that entity who are with the agency for several months and then depart from the administration after having spent millions of dollars, and they remain accountable. I think that if we let this endure, when it hits the fan eventually, then the American people are entitled to come back and say, "Where was the Congress when all of this money went down the tube?"

Mr. DERWINSKI. But the gentleman does acknowledge that he obviously is exercising legislative oversight, and this bill, therefore, really is not necessary?

Mr. HANLEY. If enacted into law, we will enjoy the authorization process as opposed to the blank check concept which the entity now enjoys.

Mr. DERWINSKI. Prior to reform did we have authorization process? Did we prior to postal reform exercise authorization?

Mr. HANLEY. We are dealing with a very unique thing. Nowhere in this vast Government bureaucracy do we have an entity such as the U.S. Postal Service.

I must yield back the balance of my time in recognition of other people who have allotted time.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I rise in support of H.R. 2990 which is, as we have already been advised, a bill to require annual congressional authorization of certain Postal Service appropriations. It is a timely and necessary proposal.

As one who voted for the Postal Reorganization Act and who had high hopes that the newly organized U.S. Postal Service would bring about improved, efficient service, I, for one, can say that I am more than a little disenchanted with the progress to date. I am not proposing at this time that we abandon the machinery which Congress set up in passing the Postal Reorganization Act, although that certainly is worth considering, but I am confident that all Members of the House know of instances wherein the U.S. Postal Service has demonstrated that it is not as responsive to its public service obligations as it should be. Therefore, I believe a closer congressional oversight is vitally needed.

I should like to indicate a recent instance that should be of interest to all Members of the House. I recently mailed some rather important congressional material to an individual under the frank, only to have the intended recipient receive a notice from the local Post Office to appear at the Post Office and 8 cents

postage due to pick up a letter mailed under the congressional frank. I know that these postal officials do not like to have contacts with the Congress any more, but it seems to me that the postal employees ought to at least be given instructions as to what the congressional frank is and that postage is not due on that mail.

This legislation before us today amends the law to require the U.S. Postal Service to secure annual rather than permanent authorization for appropriations for public service costs and revenue foregone.

This is a way to return to a requirement that the Postal Service be answerable to someone.

Public service costs incurred by the U.S. Postal Service are for providing a maximum degree of effective and regular postal service nationwide and in communities where post offices might not be self-sustaining. The amount requested by the U.S. Postal Service for fiscal year 1974 is $920 million.

Revenue foregone appropriations are designed to reimburse the U.S. Postal Service for the revenues it loses because it is required to carry the mails free or at reduced rates of postage as mandated by specific provisions of law. The amount requested by the U.S. Postal Service for fiscal year 1974 is $392 million.

These amounts in addition to $61 million requested by the U.S. Postal Service for transitional costs brings the total to over $1.3 billion for fiscal year 1974. Transitional costs cover payment for unused annual leave balances and employees compensation benefits accrued prior to July 1, 1971. The bill before us requires that the U.S. Postal Service keep the appropriate committees of Congress informed as to its activities.

Mr. Chairman, this legislation places no greater demands on the Postal Service than we place on most other Federal agencies. I think it is important, particularly because of the miserable track record of the Postal Service thus far, for the Congress to hold the Postal Service accountable for moneys it is receiving from the U.S. Treasury. The taxpayers, the victims of this poor mail service, are entitled to no less.

Mr. HANLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I appreciate this opportunity to support H.R. 2990. This is really the right bill at the right time.

The gentleman from Illinois (Mr. DERWINSKI) asked why there were no hearings held on this bill. Probably the reason there were no hearings held is that the obvious benefits of the bill were so great that it was not necessary to hold hearings on the bill.

The gentleman from New York has made reference to the JEP contract, that did the job evaluation program as one of the examples of the types of contracts that have been let because of the lack of congressional control over the Postal Service. I think it is very interesting to note that the Westinghouse people who got this contract had to hire people from their competitors for the contract because they did not have the ability to do the contract themselves.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, how did this bill address itself to the problem the gentleman raises? The proponents claim this will not involve the Congress in the day to day operations of the Post Office and I see the gentleman is using an example that will not be covered by this bill.

Mr. CHARLES H. WILSON of California. I will say to the gentleman I think the Congress should be involved in the day to day operations of the Postal Service. I have a little different feeling about it than maybe some of my colleagues on the committee. I see nothing at all wrong with Congress becoming involved. I think the biggest mistake we ever made was disinvolving ourselves from the Postal Service.

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

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, the gentleman was speaking of facilities. I wonder if he has heard of the new kitchen to serve the private office and dining room of the Postmaster General in his new offices at the L'Enfant Plaza.

Mr. CHARLES H. WILSON of California. I would be happy to hear about that.

Mr. GROSS. Yes, Mr. Chairman, a $50,000 kitchen has been installed in the plush new headquarters of the Postmaster General.

Mr. CHARLES H. WILSON of California. Is that right?

Mr. GROSS. It is expenditures such as this that I think Congress ought to give attention to especially when the postal corporation is about to raise first-class and other postal rates on the claim that it needs more operating revenue.

Mr. CHARLES H. WILSON of California. The gentlemman is absolutely right.

The gentleman from Illinois (Mr. DERWINSKI) has raised the question why, when we have never had authorizations before, do we need authorizations now? Because we have never had them in the past does not mean this is correct. I am of the opinion we have to make all agencies of the Government go through the authorizations process and one of the things I will approach the Government Operations Committee about is that for every office of the Government we should have the legislative committee process and the appropriations committee process.

We should have authorizations in any agency of Government that we have. Annual authorizations can be a valuable tool for both the Post Office and Civil Service Committee and the Congress. Through the hearings involving annual authorization legislation, the committee will be better able to gather pertinent information and analyze the current state of the Nation's mail service. This bill will give the Post Office Committees of the House and Senate a better chance to provide effective and constructive policy guidance to the Postal Service in the form of responsible authorization legislation.

And make no mistake about it, the Postal Service desperately needs this kind of guidance. The managers of the Postal Service are essentially responsible to no person or group. Once appointed, the Board of Governors is virtually untouchable. There is no constituency to which it must respond, no voters who can periodicaly judge the Governors' performance. Much has been made of the business-like structure of the Postal Service, but even here the analogy breaks down since there are no stockholders to which the postal managers are responsible.

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

Mr. HANLEY. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. CHARLES H. WILSON of California. This unique lack of accountability in a governmental structure has already had its effect. Service reductions have been made with little regard for postal customers. Congress has been held in open contempt by many postal managers. The Postal Service often appears to be acting in a vacuum totally devoid of any taint of practical knowledge or understanding of the historical mission of the Postal Service to serve all the people of this country.

We in Congress should not shirk our constituents; we should not accept the argument that an authorization bill might increase our workload or subject us to more pressure. That is what we are here for; we cannot afford to be faint-hearted. Our constituents are demanding that we do something about deteriorating postal service. This bill will help us achieve that goal without being irresponsible. I urge support of H.R. 2990.

Mr. GROSS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I rise in support of H.R. 2990, which was introduced by my good friend from Iowa (Mr. GROSS) who is the ranking minority member of the committee. I also sponsored similar legislation and feel that it is worthwhile for several reasons.

Mr. Chairman, since the passage of the Postal Reorganization Act of 1971, we have witnessed two developments in the U.S. Postal Service.

First, a marked decrease of mail service. Second, a reluctance or inability on the part of the managers of the U.S. Postal Service to provide the Congress with timely information on its activities.

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

Mr. ROUSSELOT. Mr. Chairman, I shall yield in just a second, because I do want to have a conversation with my good friend from Illinois. Let me continue.

It is for these two reasons that H.R. 2990 is before us.

Briefly, the legislation requires the Postal Service to secure annual authorization for appropriations for "revenue

foregone," due to preferential rates on so-called nonprofit mailings, and "public service costs," which are caused by post offices which may not be deemed self-sustaining.

Presently the Postal Service operates under a permanent authorization, which I believe is a mistake.

Also, under the bill, the Postal Service will be required to report to appropriate committees of the Congress on its activities.

Mr. Chairman, as one who did not support the Postal Reorganization Act because I felt we in the Congress were giving up too much control and authority over the operation of the U.S. mails—and I do not mean the day to day operations—I strongly urge adoption of this measure to restore a measure of congressional oversight of the Postal Service.

I would additionally like to say to my friend from Illinois that one-third of the bills which come out of our committee do not have hearings. This is because they are fully covered in other hearings, on a subsequent basis. All year long we have heard substantial amounts of evidence that the bill introduced by the gentleman from Iowa (Mr. GROSS) was needed. The need for the legislation has been fully discussed in other Post Office and Civil Service Committee hearings. So my answer to the question of the gentleman from Illinois as to why no specific hearings were held it is because we have heard nothing else all year but the need to reestablish congressional responsibility over the Postal Service.

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

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

Mr. GROSS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROUSSELOT. I thank the gentleman from Iowa for yielding. I am glad to yield to my good colleague from Illinois, who normally shows such excellent judgment that I cannot understand why he has not joined us in supporting this bill.

Mr. DERWINSKI. Of course, the gentleman from California is slightly befuddled, because he answered a question I did not ask.

Mr. ROUSSELOT. Not really.

Mr. DERWINSKI. I did not raise the question about hearings.

Mr. ROUSSELOT. The gentleman did raise the question as to why there were no hearings. He raised that three times.

Mr. DERWINSKI. The gentleman specifically charged that the officials of the Postal Service either were unwilling or unable, if I am using his words correctly, to cooperate with the committee in supplying necessary information.

Mr. ROUSSELOT. I will be glad to give the gentleman my exact quote. I said "reluctance or inability".

Mr. DERWINSKI. It so happens that in the past 2 years there have been 79 appearances before our full committee or various subcommittees by officials of the Postal Service, in Washington or at various regional levels.

Mr. ROUSSELOT. The gentleman is absolutely correct. We are still waiting answers to many of our questions.

Mr. DERWINSKI. Such as why we cannot appoint postmasters?

Mr. ROUSSELOT. No. Why they set up stationery stores and all that sort of thing in the Postal offices. We still have not had answers. There have been some attempts by the Postal Service to answer questions. The way to make sure we get the kinds of answers to questions we need is for the gentleman to support this legislation.

Mr. DERWINSKI. I am convinced the gentleman from California, as well-intentioned as he usually is, has been misled by the Pied Piper of Waterloo. I know I cannot change the gentleman's view, but I hope to change the views of those Members who are not committee Members and therefore might be more objective.

Mr. ROUSSELOT. I want to make clear to the gentleman from Illinois that I am more than a willing follower, of the gentleman from Iowa, because in my opinion he is right. On many occasions the gentleman from Illinois has followed Mr. GROSS, also. I am sorry the gentleman has not joined him today, because I think he would be making a wise decision.

Mr. GROSS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, first I want to thank the gentleman for yielding.

I want to commend the committee for reporting out this legislation. I believe it is sorely needed.

At the same time, I want to agree with my colleague from Illinois (Mr. DERWINSKI). I regret that there were not hearings on this bill, because I would have liked to have appeared and told the committee why I feel legislation such as this is necessary.

One of our colleagues mentioned the contempt the people down at the post office have had for Members of Congress in responding to our queries. I want to include in the RECORD a brief exchange of correspondence I had with the U.S. Postal Servce this last March.

On March 12, I wrote to the congressioal liaison officer and I made the following request:

It would be most helpful in my dealings with local postmasters to have a current list of postmasters in my district.

The courtesy of your office in providing me with such a list would be appreciated.

With kind regards.

And so forth.

Three days later I got an answer back from the Postal Service, reading as follows:

DEAR CONGRESSMAN CHAMBERLAIN: This is in response to your letter of March 12, 1973, requesting a list of the names of postmasters in your congressional district.

Enclosed is an excerpt from the Postal Reorganization Act of 1970 (Public Law 91-375) which specifically prohibits us from furnishing any list of names for any purpose.

I regret I cannot be more helpful.

Now, Mr. Chairman, and my colleagues, when it comes to the point where a Member of Congress cannot get the names of the postmasters in his own district, I think it is time that we do somethink to reassert some authority.

Mr. Chairman, it happens that because of congressional redistricting in Michigan in May of 1972, and there were a number of postmasters in my district that were new to me and I wanted to get their names so that when I had occasion to contact them, I would know who they were. I cannot imagine a more legitimate inquiry.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CHAMBERLAIN) has expired.

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I would like to ask the chairman of the committee if, in his judgment, the statement in this letter which I have read is correct. Is it true that this is what we intended when we created the U.S. Postal Service that we could not even be given the names of the postmasters in our districts?

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

Mr. CHAMBERLAIN. I am happy to yield to the distinguished chairman from New York.

Mr. DULSKI. Mr. Chairman, the intent of the section in the law in that regard is to preclude the release or sale of mailing lists for business or solicitation purposes. By no stretch of the imagination is it intended to prohibit the Postal Service from providing legitimate information to the Congress or a Member of Congress. In this respect, I call attention to the specific wording of that section which prohibits an officer or employee of the Postal Service from making mailing lists available "to the public."

Conceivably, under the interpretation which the Postal Service applies in denying your request, they could also deny the Congress access to lists of the Board of Governors of the Postal Service or lists of the top management personnel, neither of which they have done.

Therefore, I believe the Postal Service has overreached itself in this instance and I would fully expect it would revise its regulations to accommodate commonsense and the law.

Mr. CHAMBERLAIN. Mr. Chairman, I thank the gentleman from New York, the chairman of the committee, for his response. Again I commend the chairman of the committee, the subcommittee, and the other Members for reporting out this bill, and I urge its adoption.

Mr. HANLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, I very happily join in marching behind the gentleman from Iowa (Mr. GROSS) who has not always led me in legislative endeavors in my 9 years, but I am becoming older and wiser, I find, as time goes by. Had I had the wisdom of

the gentleman from Iowa (Mr. GROSS) at the time the Postal Corporation was passed, I would not have carried with me the very strong feelings of guilt which I held for having voted in favor of creating that monster down in L'Enfant Plaza with the $50,000 kitchen which the gentleman from Iowa (Mr. GROSS) was talking about.

Mr. Chairman, I strongly support H.R. 2990, which would simply provide for annual authorizations for appropriations to the U.S. Postal Service.

When the Postal Reorganization Act passed in 1970, the message was trumpeted by some that all of our problems would be solved by the newly freed management team. As our constituent mail has shown in the past few months, nothing could be further from the truth. Service is deteriorating and rates are rising.

Our current experience with the Postal Service and the Postal Service's cavalier treatment of Congress dramatizes the need for H.R. 2990. To say that the Post Office and Civil Service Committee has oversight jurisdiction is fine, and the committee has taken this responsibility very seriously. But we all know that oversight without teeth is of limited usefulness.

H.R. 2990 would provide those teeth in a useful and thoroughly responsible way. The Postal Service would be required to come to us every year and justify their new programs and expenditures. And through this process, a much more meaningful dialog between Congress and the Postal Service to the benefit of the mail-using public.

I strongly object to the characterization of this bill as punitive by its opponents. There is nothing punitive about it, and I challenge those who have made the charge to support it. If this is punitive then so are the scores of other authorization bills Congress passes every year.

This is a constructive bill, and I have enough respect for my colleagues on the Post Office and Civil Service Committee to know that it would be used in a most constructive manner. With the Postal Service undergoing a painful transition period and instituting new programs every day, annual authorizations are clearly needed now and in the foreseeable future.

I urge all of my colleagues to support this praiseworthy bill.

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

Mr. WILLIAM D. FORD. Yes, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, does the gentleman from Michigan agree with me that if the Postmaster General cannot stand the heat of these annual authorization hearings, he ought to get out of his $50,000 kitchen?

Mr. HANLEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BRASCO).

Mr. BRASCO. Mr. Chairman, as a member of the Committee on the Post Office and Civil Service and the Subcommittee on the Postal Service, I strongly support H.R. 2990. Passage of this bill will better enable the House to fulfill its responsibilities to see that efficient and expeditious mail service is provided to the American public.

I want to say that if the admonitions of the gentleman from Iowa (Mr. GROSS) were heeded in 1970 when we created the Postal Service Corporation, there would be no need for us to be here today. I hope we listen today and support his bill today.

One wonders why there is so much misunderstanding with respect to the policy as followed by the Postal Service Corporation, but I would like to remind my colleagues how we came about to pass that particular piece of legislation.

A pay bill passed in the House for Postal Service employees which went over to the Senate and was locked up in the committee and died. Lo and behold, we had a strike which broke out in New York which necessitated Army troops being used to deliver the mail. There were similar threats by postal employees to strike in other parts of the country and a threat of those involved in the strike losing their jobs.

Hastily we sat down and began to draw up what we called the Postal Service Corporation. Votes were had on 1 day which were changed on another day. We had one consideration in mind, which was to improve the economic plight of the postal worker and to lift his morale and, most importantly, to achieve a more efficient mail service.

We did none of these things, because the road to ruin is paved with good intentions, and the halo is about 6 inches away from being a noose.

We have been choking with complaints from our constituents ever since. For those of you who, like I do, send out Christmas cards first-class mail you can have Christmas in July because my returns on mail not delivered are still trickling back home.

No one is claiming H.R. 2990 will be a panacea or instantly cause the mail to move more rapidly, but annual authorizations will enable us more fully to understand what is happening to the Postal Service and provide a better vehicle by which Congress can provide policy guidance to the Postal Service.

Quite to the contrary, this bill will not by any stretch of the imagination reinvolve us in the operations of the Postal Service, because annual authorizations are an integral part of the Government process for many governmental programs.

Our committee asked the Library of Congress to draw up a list of those areas where there are authorizations involved, and we find that the following committees are subject to the authorization process: the Armed Services Committee, the Atomic Energy Committee, the Banking and Currency Committee, the District of Columbia Committee, the Foreign Affairs Committee, Interior and Insular Affairs Committee, Judiciary Committee, Merchant Marine and Fisheries Committee, Public Works Committee, and Science and Astronautics Committee, and this is no different than any one of those.

In my opinion the country, the Congress, and even the Postal Service will be well served by this legislation.

I urge its adoption.

Mr. GROSS. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, the bill, H.R. 2990, is a necessary step in the direction of asserting oversight responsibility of the Congress over the U.S. Postal Service.

At the present time, the U.S. Postal Service is, by definition, an independent establishment within the executive branch, and its top management officials answer only to the Postmaster General and the Board of Governors. Accordingly, the top management is accountable to no elected official in the Federal Government.

I am sure all of us in the Congress are aware of our constituent complaints and editorial criticism of the quality of mail service in the United States.

This legislation is not by any means a panacea for the myriad problems confronting the Postal Service; however, it does require the Postal Service to be more responsive to the Congress.

In brief, it requires annual rather than permanent authorizations for appropriations for "revenue foregone" and "public service costs." It also requires the Postal Service to report to the appropriate committees of the Congress on its operations.

Mr. Chairman, at a time when the quality of mail service is declining, postal rates are expected to be increased, constituent complaints on poor mail service are increasing, it is incumbent on us in the Congress to regain some of the authority over the U.S. Postal Service which we relinquished in passing the Postal Reorganization Act of 1971. Hopefully, approval of this measure will help to achieve a better and more efficient mail delivery system.

Mr. GROSS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, there is such sweetness and light and such unusual unanimity here this afternoon that I hesitate somewhat to say I am opposed to this bill, but I am opposed to it. I think it is a bad bill at a bad time.

This bill will require the Congress to enact annual legislation authorizing appropriations to reimburse the Postal Service for carrying certain mail for free, or at a reduced cost, and provide maximum postal facilities in communities where post offices may not be deemed self-sustaining.

I suggest to you that it is anomalous to require yearly authorizations for appropriations to support permanent and continuing programs which Congress undoubtedly wishes to continue.

There is no suggestion here that the sponsors of this bill believe the need for continued existence of these programs should be examined each year from a

legislative standpoint. Instead, the committee report attempts to justify this otherwise useless bill as a means for making the Postal Service "more responsive" to the Congress.

Now, it is obvious to me, and it ought to be obvious to all of the Members from what has been said here this afternoon, that that phrase really only means the return to the Congress of political control over the Postal Service, something we supposedly agreed to discard for our own good and the good of the Postal Service with the enactment of the Postal Service Reorganization Act.

As the ranking member of the Treasury-Postal Service and General Government Subcommittee of the Committee on Appropriations, might I say that enactment of this legislation will delay and complicate the work of our subcommittee and the Committee on Appropriations. Undoubtedly, we will have to have annual authorization hearings by the Post Office and Civil Service Committee if this bill is enacted, and then, after passage of that legislative authorization for these permanent appropriations, and the reconciliation of the differing House and Senate versions, it will be necessary to go through the same process again with respect to the appropriations bill.

We have been pretty proud that the Treasury-Postal Service, and General Government bill has been among the first measures enacted in years past, but under this approach the Committee on Appropriations cannot constructively consider any appropriations for the Postal Service until the annual authorization bill has been enacted. We will be delaying our business while the Congress is beseiged by every conceivable interest group, and until it finishes tinkering with postal rates, postal services, and postal policies, and the Halls of Congress would again be filled with lobbyists seeking to tack generous subsidies onto the yearly authorization legislation. As a result, we might frequently be unable to go to work on our appropriation measure until after the start of the next fiscal year.

I think there are already far too many of these kinds of roadblocks around here that obstruct responsible and timely handling of the Federal budget to make us want to pause before erecting yet another.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. Mr. Chairman, I will be happy to yield to the gentleman from Michigan just as soon as I complete my statement, which will only take a moment.

Mr. Chairman, this bill is simply a bad piece of legislation. It would not improve our mail service. It would benefit only those parties who would like to use the annual authorization of appropriations as a club to force the Postal Service to readopt policies and practices which were harmful to an effective and efficient mail system in the past, and it is also clearly the first step, I believe, toward repeal of the postal reform legislation that still deserves a chance to prove its worth.

I urge the defeat of this bill.

Mr. Chairman, I now yield to the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. WILLIAM D. FORD. Mr. Chairman, the gentleman from New York makes much of the point that the passage of this legislation would impede the progress of the appropriation bill so that it may not be passed in the proper fiscal year.

We are now in fiscal year 1974. Could the gentleman from New York tell me what the excuse is for not having the appropriation bill out on the floor before the beginning of this fiscal year prior to the adoption of the Gross bill?

Mr. ROBISON of New York. This bill under discussion?

Mr. WILLIAM D. FORD. That is correct.

Mr. ROBISON of New York. There are a variety of excuses that do not revolve around the Postal Service items.

Mr. WILLIAM D. FORD. But they do not have anything to do with the adoption of this legislation?

Mr. ROBISON of New York. Not at this time.

Mr. WILLIAM D. FORD. So, if this legislation were in effect it would in no way be responsible for the kinds of delays that have prevented the legislation being brought up prior to the beginning of the next fiscal year?

Mr. ROBISON of New York. Not this year, but it is my prediction that it would in future years. I think we already know, most of us, that there are enough extraneous reasons that make the appropriation process a very difficult thing to manage, so why make it worse.

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

Mr. GROSS. Mr. Chairman, I yield 1 additional minute to the gentleman from New York (Mr. ROBISON).

Mr. Chairman, on what basis does the gentleman from New York, make that kind of a predicton? I do not understand how my friend, the gentleman from New York, could make the prediction that the subcommittee of which he is a member will be out earlier next year with an appropriation if this bill is not enacted.

Mr. ROBISON of New York. If my friend, the gentleman from Iowa, would permit, I did not predict we will be out earlier; I am predicting we will be out later if this bill becomes law, and if we have to wait for the annual authorization.

If my good friend, the gentleman from Iowa, and his supporters on the other side of the aisle can do something in this instance that other chairmen and ranking members cannot do in order to get other authorizations through in ample time, so we can do our business in the Committee on Appropriations, then my hat will be off to the gentleman, and I hope the gentleman can do it.

Mr. GROSS. I thank the gentleman. I, too, hope we can do it so that the gentleman will have the opportunity to take off his hat next year.

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

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

Mr. GROSS. Mr. Chairman, let the record show that I have no further requests for time.

Mr. HANLEY. I yield 2 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Most Members of Congress have heard from their constituents complaining of poor postal service.

The Post Office and Civil Service Committee held many hearings to determine why there is poor service.

Our efforts to determine the cause of poor service have often been met with insufficient information.

In the Postal Corporation's quest for economy the administration ignored service.

The Postal Corporation curtailed rural service, contrary to law. I could give a number of illustrations of this fact.

It inaugurated measures which commonsense would tell us are impractical, or would cut service.

Now the Corporation regards itself as independent of Congress and has in some instances been somewhat arrogant toward the petitions of individual Congressmen.

Congress cannot adequately exercise the necessary oversight unless this bill is passed.

If you and your constituents want Congress to do something about poor postal service, without retrieving the Postal Service back to the control of Congress, pass this bill.

Make the Postal Corporation have to come back to Congress at least once each year for an authorization. Here I might mention that we are speaking only about 10 percent of the budget, in two categories. We are not talking about the total budget of the Postal Service.

Require that Congress can review their operation to insure good postal service. Virtually every other agency of Government must do the same.

Congress represents the people, and the people are demanding service.

Pass this bill and Congress will help insure this service.

I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 2990, a bill providing for annual authorization of appropriations to the U.S. Postal Service, and for improved communications between Federal agencies and the Congress.

H.R. 2990 is virtually identical with H.R. 4156, which I introduced on February 7 of this year. I introduced H.R. 4156 on behalf of residents of Pinellas County and the Sixth Congressional District of Florida—my constituents had expressed to me their increasing dissatisfaction with mail delivery service, postal rates, and postal service hours. On investigation of the complaints, I also became very concerned over the increasing deterioration of morale and productivity of Postal Service employees.

The Postal Service concedes that the quality of mail service has deteriorated in Florida, as it has throughout the Nation. Labor costs have gone up enormously—but with little related increase in produc-

tivity. Because of the increased costs, the Postal Service has sought to cut back in other areas to compensate—hence the reduction in collection services, delivery services, and window service hours, plus a nationwide cutback in the labor force itself.

For Florida, this has meant that, although mail volume in January of this year was up 18.5 percent over the preceding year, the number of employees was down 24.8 percent. Overtime had been increased 89 percent. It is no wonder that employee satisfaction and job performance have been poor.

It is clear from the debate preceding passage of the Postal Reorganization Act of 1970 that the Congress anticipated some problems during the period of transition to an independent, self-supporting Postal Service.

But I am sure that no one could have anticipated the extent of the current crisis in the mails:

Postal rates have gone up, up, up—and we are saved from a further increase only by the dubious mechanism of the price freeze.

Small periodicals and other journals essential to the free expression of thought in this country are threatened with financial extinction by the second-class rate increases.

Postal service hours are so curtailed that a working person may never get to buy stamps, obtain a money order, or mail a package without having to take a lunch hour or annual leave.

Unless that friendly letterbox is in an accelerated business delivery—ABD—zone, overnight mail delivery in the same city is all but a myth. As long as 12 hours may pass between mail pickups.

Thanks to regionalization of sorting operations, a letter may travel 200 miles—to get to an addressee 20 miles away. And, of course, the time for delivery increases with distance.

This is not to say that the Postal Service is not doing its best to improve service and maximize productivity by the use of automation, ZIP codes, and other devices.

But when annual appropriations required to make up deficits run into billions of dollars, and when the service continues to deteriorate, then it is time for Congress to exercise its constitutional oversight functions to insure that these billions of dollars are well and wisely spent.

Annual authorizations provide the best possible mechanism for the program review and oversight functions of the Congress. H.R. 2990 will insure that the Postal Service does not function in a vacuum, immune to public criticisms, suggestions, or guidelines, it will put the Postal Service on notice that its independence is not a carte blanche to spend the taxpayers' dollars with no substantive return in services.

Mr. CHAPPELL. Mr. Chairman, as a former member of the Post Office and Civil Service Committee, and a current member of the Appropriations Committee, I would like to share with you my views on H.R. 2990.

Congress and the public are concerned about the quality of postal service. I can understand their sense of frustration and that of some of my colleagues over the deterioration of postal service earlier this year, after the Christmas season. However, since corrective action has been taken by the Postal Service, I can see nothing on the face of this bill to justify its enactment. In fact, I feel it is a bad bill which would have a damaging effect, not only on the Postal Service, but Congress and the public. It would do absolutely nothing to improve service.

If passed, this bill would almost surely involve delays in the annual appropriations process and the impact of these delays would fall on the mailing public. These delays could result in an upward adjustment of postage rates or a reduction in service to the public.

If passed, this bill would bring back many of the pressures on Congress which led to postal reorganization. During the authorization process, Congress would undoubtedly be inundated with added pressure from mailers for insertion of statutory language to increase subsidies or give other favorable treatment or advantages to their interests—and this would be done at the expense of the American public.

If passed, this bill would require annual authorizations for an on-going business type agency which would be largely unprecedented. Annual authorizations are needed for programs that require year-to-year adjustments in order to be responsive to evolving national needs. Postal operations are not in that category.

I agree that congressional oversight of the Postal Service is desirable. However, I see no reason to duplicate existing law—section 136 of the Legislative Reorganization Act of 1946—by enacting legislation which would require the Postal Service to keep congressional committees fully informed of their activities. The Postal Service already does this. The Postal Service has appeared before congressional committees a total of 21 times this Congress alone.

As a representative from the great State of Florida, I too am concerned with the level of postal service my constituents receive. However, I am equally concerned that we do not pass a bad and damaging piece of legislation which would be harmful. I urge my colleagues to be patient and give the Postal Service enough time to iron out its problems. It is only logical that we recognize our unrealistic expectations for instant service improvement for an organization which has been in operation only a little over 2 years.

I urge defeat of H.R. 2990.

Mr. ALEXANDER. Mr. Chairman, from the looks of my mail, the slogan, "Everybody talks about it, no one does a thing about it," seems to apply more to my constituents' view of the U.S. Postal Service than to the weather. Every week letters come into my office telling of a business deal that has been delayed, a birthday party that was nearly ruined because the invitations were not received until the day after the event, or even complaints on behalf of an entire town over the postal policies.

For this reason and because I believe that it is essential that the Congress begin exercising every opportunity to regain much of the power, control, and authority which has eroded to the executive branch, I am sponsoring this bill which would provide for annual rather than permanent authorizations for the U.S. Postal Service. It is time for us to assume more responsibility in the area of legislative oversight and review. Only by willfully taking on this responsibility, will we ever be able to battle successfully with the all powerful Office of Management and Budget.

What services touches more of the people more often than the Postal Service? Although we created it—perhaps one of the worst decisions Congress has made in the last few years—as a "quasi-independent" corporation, this organization does not have the competition from similar services to keep it on its toes as most businesses do. And although it has no competition, our Postal Service spent over $131,000, exclusive of man-hours spent in delivery and handling, last year on an air mail advertising campaign.

Now I am no expert in advertising, but when you send out an 11- by 14-inch three color mailing to tell people as "insurance" they should spend 3 extra cents to send their communications airmail rather than first class, something is wrong. Procter & Gamble does not tell you to stop using their old brand of toothpaste every time they bring out a new, improved one.

Nor does it seem that this organization has paid much attention to the directives of Congress set forth in the National Environmental Policy Act, which states our interest in maintaining a balanced national growth policy. The Postal Service puts their bulk mail facilities anywhere they please. Reasonable cost guidelines seem to have been tossed out the window at times. Few true corporations would survive this long with these business practices.

So, who must this quasi-independent corporation answer to? The people? The Congress? The executive branch? Or has it become totally independent? The top management of the Postal Service at this time seems to be accountable to no elected official in the Federal Government.

I submit that if we, in the House, were subject to reelection every 4, 6, or eight years rather than every 2, or had no one to answer to except other Congressmen, we might not be so prompt and responsive in our services either.

In the beginning I said my constituents were more concerned about what can be done about the postal service than the weather. This is not entirely true. After 9 months of rain, snow, hail and flooding, they have given up on the weather. Will we take this opportunity to do something about the Postal Service or will they have to give up on that, too?

Mr. DE LA GARZA. Mr. Chairman, I commend my valued colleague, Mr. GROSS of Iowa, for his prescience in seeking passage of this legislation. I support him whole heartedly—and I might say I wish at times he would do the same for me.

Certainly I cannot argue with this proposal to put the Postal Service on an annual authorization basis. For this reason I also join all others who are supporting Mr. GROSS in this effort.

It goes without saying that I get more communications from my district about the problem with the Postal Service than I do on practically anything else. Hardly a day passes that somebody does not tell me of their problems with the mail service, which I think is an abuse of the right to postal service that is reliable and well handled.

Mr. Chairman, I am willing to try anything to alleviate the situation we are now in. It is crying for action.

This is no personal criticism of anybody in particular—but an indictment of the system and for that reason I feel we should do what this bill recommends and bring in the Postal Service people every year to see if we cannot do something about trying to get a little something for our money.

In fact, Mr. Chairman, it might not be a bad idea to give very careful consideration to bringing most of the departments into the Congress for authorization legislation. In this way we could keep a better handle on what we are trying to do in this body. Mr. GROSS is making a step in the right direction as far as I am concerned.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provisions of law, no appropriation shall be made to the Postal Service under subsection (b) or (c) of this section for any fiscal year commencing on or after July 1, 1973, unless previously authorized by legislation hereafter enacted by the Congress.

"(2) The Postal Service shall keep the Committee on Post Office and Civil Service of the House and the Committee on Post Office and Civil Service of the Senate fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to such activity or responsibility.".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment:

Page 1, strike out line 10 and all that follows down through the second period in line 6 on page 2 and insert in lieu thereof the following:

"(2) The Postal Service shall keep the appropriate committees of the House of Representatives and Senate fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by such committees relating to any such activity or responsibility.".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. HANLEY

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

The Clerk read as follows:

Amendment offered by Mr. HANLEY: On page 1, line 9, delete the words "on or".

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HANLEY).

The amendment was agreed to.

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

Mr. Chairman, I rise in opposition to H.R. 2990 and caution my colleagues in the House to consider the potential ramifications of this legislation.

Being brought to the floor at a time when the newly created U.S. Postal Service is under fire, this proposal admittedly is appealing. However, I hope the House will not act in haste, but will evaluate the consequences of this legislation.

I would first point out, for those Members who value proper legislative procedure, that this bill was called up and approved by the Subcommittee on Postal Service without the benefit of public hearings and before any comment had been received from the Postal Service. The justification which the committee presents on this bill is meager at best and is based more on passion than on logic.

One intent of the bill is to insure committee oversight in its area of jurisdiction, and that is a goal I cannot quarrel with. However, I point out that the committee, through this bill, is legislating in an area in which it has no previous experience—that is, in the area of annual authorizations.

Based on my own research, I find no other time in the history of the Post Office Department when annual authorization for its appropriations were required. Prior to the passage of the Postal Reorganization Act of 1970, the Post Office Department had, by law, permanent authorization for its appropriations. The Post Office Department went directly to the Appropriations Committees, and therefore, the Committee on Post Office and Civil Service, or the Committee on Post Office and Post Roads before it, had never considered or drafted an authorization bill.

The Postal Reorganization carried this process forward, with one exception. The act granted permanent appropriation to the Postal Service of the revenues it collects in postal rates.

The logic of such an arrangement for the new Postal Service was carefully considered and affirmed by the Congress.

While the bill H.R. 2990 does not alter that appropriation, it does make a historic departure by requiring annual authorization for public service funds and Treasury moneys required to support free and reduced-rate categories of mail service.

It is in this area that I question whether we fully realize or understand the problems that may arise out of such a yearly exercise. I believe that this legislation, should it be enacted, will involve Congress in the affairs of the Postal Service far beyond that in which we were involved in the old Post Office Department.

At the very least, hearings should have been conducted to explore and examine the new direction this legislation will take the Congress.

It is far too early, in my opinion, for the Congress to be tampering with a basic provision of the Postal Reorganization Act, unless it is prepared to reconsider the exhaustive work that went into establishing a Postal Service entity with the charter of debt-free, politics-free, efficient service.

I am as aware as any Member of the so-called horror stories of postal service. However, to those Members who see this bill as the immediate answer to real or imagined postal deficiencies, I point out that there is nothing in the bill which will move one piece of mail one day or even one hour faster. Nor will it correct any of the service problems which your constituents have called to your attention. But there is a potential in this bill for it to become a reverse weapon which could be used to choke the Postal Service.

Again, I urge my colleagues to consider and to reject the ratemaking and administrative interference potential of this legislation.

Mr. Chairman, there are several valid reasons why this legislation, H.R. 2990, should not be passed, and I invite your attention to the minority views in the committee report for a list of these reasons.

This bill, which is the first major amendment to the Postal Reorganization Act since its passage in 1970, was called up and approved by both the subcommittee of jurisdiction and the full committee without the benefit of a single day of public hearings. No witnesses were called before the committee, not even witneses from the Postal Service. We have no public record whatsoever on which to base a judgment of the necessity or desirability of this legislation.

The case for hearings on such a major change in the Postal Reorganization Act becomes important when you consider the current membership of the Committee on Post Office and Civil Service.

Since the time in May 1970, when our committee reported a postal reform bill, until now, there have been eleven new members appointed to the committee—out of a total membership of 26. I think it was a mistake on the part of the leadership of our committee not to hold hearings, because in so doing it caused a disservice to the newer members of the committee who would have profited by a discussion of the amendments that H.R. 2990 proposes to the Postal Reorganization Act.

Mr. Chairman, the provisions of the Postal Reorganization Act were not idly written. Careful consideration was given to the appropriation and authorization language that is now the law. The committee and the Congress fully understood the new authority which was conferred on the Postal Service, and the Congress approved the postal reform legislation by an overwhelming vote.

I cannot conceive of any major statute being amended in such a substantial manner in the absence of public hearings to at least explore all the consequences of the amendment.

First. This bill represents an undesir-

able step toward increased congressional involvement in the day-to-day administration of the Postal Service.

The phenomenon of "no control" by postal management over the operations of the postal establishment was cited as the principal failure of the old Post Office Department by the Kappel Commission. It was a prime purpose of the Postal Reorganization Act to eliminate this phenomenon by authorizing the Postal Service to conduct its affairs in a business-like manner. This bill would mark a retreat from that purpose by once more getting Congress and politicians mixed up in the day-to-day decisionmaking process of the Postal Service.

This bill would involve Congress in the affairs of the Postal Service to an unprecedented extent—even the old Post Office Department was not forced to obtain annual authorization for the appropriations covering its permanent and continuing programs.

Congress is not equipped to handle the management of a business-type organization like the Postal Service. The congressional function is one of legislation, oversight, review, and legislative revision, but not management.

Second. This bill could result in needless fluctuations in postal services and postal rates.

If Congress, for some reason, either long delayed or refused to authorize the full amount needed for the programs financed through these appropriations, the Postal Service would have no recourse but to institute partial cutbacks in postal services or to obtain rate increases sufficient to fill the gap. Either alternative is certain to be distressing for mailers.

It is possible that congressional disputes over the nature of the language to be used in an authorization bill might hold up the final passage of an appropriation until long after the beginning of the fiscal year. In such a case, the Postal Service would have to make either upward adjustments in rates or downward adjustments in services to break even. If Congress subsequently enacted a full appropriation, the Postal Service would have to return to its old level of rates and services. This type of "yo-yo" adjustment in rates and services would impose a severe administrative burden on the Postal Service and undoubtedly confuse mailers.

Third. The bill's provisions dealing with the furnishing of information are unnecessary.

Under the provisions of the Legislative Reorganization Act, the Congress already has the right to obtain whatever information it needs from the Postal Service. Moreover, the officials of the Postal Service have been cooperative about furnishing such information.

Placing a statutory requirement to keep the Congress informed on the Postal Service alone might, by negative implication, cause other agencies to feel that they were exempt from such requirements. This could cause problems for the Congress in carrying out its investigations.

Mr. Chairman, I am taking this time, under these circumstances to try to set the record straight and of necessity to break up the mutual admiration society that seems to flourish between all of the Members on the other side of the aisle and the gentleman from Iowa. The Members should be aware that in approximately a week from today they will have on this floor a bill to further subsidize certain pet mailers of the committee. At that point Mr. GROSS will be fighting the bill and his newly found friends will have deserted him. So I think a week from now we will have an interesting contradiction to the performance we have seen this afternoon.

There is not anything in this bill that will move one stick of mail one second faster. It is an absolute hoax. What it is, is the pent-up frustrations of the members of the Post Office Committee who have not had enough patience to realize that after 190 years of political control of the Postal Service they released this to the new entity and now in less than 2 years we are saying they have had enough time and we will take it back. We have not given these gentlemen in the Service enought time in administering the colossal monstrosity they inherited.

This bill specifically adds nothing whatsoever and will add nothing except troublemaking potential as far as the Postal Service and postal delivery are concerned.

I will make one or two other points. I mentioned the rate bill that will soon be pending. It used to be in the Post Office Committee one of the most interesting events of the year when the lobbyists for the second- and third-class mailers would storm into the committee for ratemaking sessions. The committee evidently missed this type of thing for 2 or 3 years. They want to get back into the ratemaking business. The moment they get back into the ratemaking business they will start getting back into the personnel matters and into the salaries and into all those things that were so notoriously wrong with the former Postal Department.

What we are dealing with is a Postal Service which is now basically self-financing. It has funds which it is investing effectively in automated devices and in less than 2 years we are suddenly blowing the whistle on them. This is to me the most shortsighted piece of legislation this House will have before it in this session.

The Rules Committee sat on this bill a month. It is not very often in this liberal age the Rules Committee is supposed to hold up anything, but in this case they did.

All of the Members should have read the report and all of the Members should have read the letter which should have been received from the chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED). If the Members have done that, I think they will take the opportunity in this case to vote against this bill.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

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

Mr. CHARLES H. WILSON of California. Mr. Chairman, the gentleman made a reference to a rate bill which may come up before the House next week. I would like to advise the gentleman this bill passed from our committee by only a 12 to 11 vote. There were two Democrats who opposed it, the gentleman from Arizona (Mr. UDALL) and myself. So I make the point that bill also may go to the Rules Committee but it has not done so yet, so I do not think there is anything cut and dried about this.

Mr. DERWINSKI. I compliment the gentleman on this future legislative stand. I wish he had been correct in his actions on this legislation.

Mr. Chairman, there is another question on congressional oversight. There is more than enough congressional oversight over the Postal Service. There has never been a demand made on the Postmaster General in terms of requests for appearances at hearings or information that was not granted. As a matter of fact in discussions with the gentleman from California (Mr. ROUSSELOT) I mentioned that according to my records there have been 79 different hearings conducted by our committee in the last 2 years in which the Postal Service has fully cooperated. What more can we ask for? This bill is not going to provide anything more. All this is going to be is a trouble-making vehicle for the Post Office and Civil Service Committee to delay authorization.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. DERWINSKI. Mr. Chairman, just so the record will be clear, I would like to add something further.

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

Mr. DERWINSKI. I will follow the same procedure with the gentleman as he did with me. I would prefer to complete my statement and then yield.

Mr. ROUSSELOT. I would be most pleased to have the gentleman do that.

Mr. DERWINSKI. Mr. Chairman, I would suggest if possible the Members study the report that Postmaster General Klassen delivered to the committee on the 14th of March, but let me give what he terms as "Evaluation of the Act":

We have had less than two years of experience and our judgments are necessarily still tentative. In general the Act seems to be sound and promises to wear well. It gives us a good set of tools with which to develop a better postal system. It has made major innovations:

A system of labor relations and collective bargaining comparable to the private sector.

Improved postal ratemaking procedures.

Full and fair opportunities for promotion and career development.

Modern financial systems and procedures with vital borrowing authority.

Responsiveness to customer's needs—application of modern marketing techniques.

A reasonable degree of freedom for postal management to manage.

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

Mr. DERWINSKI. Mr. Chairman, I yield to the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Chairman, I want to associate myself with the remarks the gentleman has been making, and for the reasons he stated join with him in urging our colleagues to vote against this bill.

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

Mr. DERWINSKI. Mr. Chairman, I suggest this bill would not only take the Post Office back to the days of Benjamin Franklin, the first postmaster, but take the Postal Service back to the days of George III. This bill is a legislative monstrosity, and I urge its rejection.

I now yield to my prodigal friend from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, the point I wish to make clear in the record, and I am sure my colleague from Illinois would want to join with me, is that there were not 79 hearings, but 79 individuals who appeared before our committee. That is 79 individuals who appeared, not 79 hearings.

Mr. DERWINSKI. Mr. Chairman, there were 79 hearings in which either the full committee or the various subcommittees in some form studied aspects of the Postal Service.

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

Mr. Chairman, for 190 years—almost two centuries—the Congress ran the Post Office Department. We established the salaries, we determined the rates, we provided the wherewithall for the facilities. We, in effect, were the managers of the Post Office Department.

Politics, whether it was Democratic on the one hand or Republican on the other hand, were rampant in the Post Office Department. We all recognized it; we all condoned it. Secretly, we among ourselves would say that we were awfully glad that the other party had the responsibility of selecting postmasters among other chores. I used to get complaints in those days when the politicians ran the Post Office Department, and they were just as numerous as they are today.

When this suggestion came that we go from a politically dominated Post Office Department to a department that would have professional managers, a different financial system, different labor-management relations, every living former Postmaster General, Democratic or Republican, urged the change.

Mr. Chairman, I think the gentleman from Illinois made a very wise observation. The Post Office Department for almost 190 years did not really do any better job than the Post Office Department is doing now under 2 years of new management and a new concept. I happen to think that in the last 2 years I have been able to concentrate to a greater degree on a few important legislative matters and other matters involving my district, my State, and my country far more effectively than in the past when I spent time trying to decide who should be Postmaster, what the rate ought to be for this kind of mailing or that kind of mailing on whether a pay increase was justified for the Post Office employees.

I believe that in the long run we are far better off to let professional management run the Post Office Department. I believe also that the Members of this body who now want to stick their fingers back into the Department are just asking for troubles, because if this legislation happens to become law, no longer can we say to our constituents, "We politicians are not involved, the managers are."

All during the time I have been in Congress all politicians were in trouble because of the Post Office Department. I, for one, want the managers to bear that burden. I think they ought to bear the present burden.

I believe that in time the new management will straighten out the mess.

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

Mr. GERALD R. FORD. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. We may have had a little trouble, but the mail was delivered in those days, I say to the gentleman from Michigan.

Where does the gentleman get the information that all former Postmasters General support this?

Mr. GERALD R. FORD. Mr. O'Brien recommended it. Mr. Day recommended it. Mr. Summerfield recommended it. I believe Mr. Farley recommended it, as well as the incumbent Postmaster General.

Mr. GROSS. I do not recall a single former Postmaster General testifying before our committee to that effect, except perhaps Mr. O'Brien, who later became the well-paid chairman of the Citizens Committee for Postal Reform, an organization which was endowed with contributions from the publishers of some $350,000. He did very well with that support.

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

Mr. GERALD R. FORD. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding. Obviously a great misunderstanding apparently prevails in the minds of a few here today.

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

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

Mr. HANLEY. It is in no way the intent of the committee to get back into the day-to-day operations of the U.S. Postal Service. In essence what we are trying to do here is to provide it with some guidance.

The gentleman mentioned constituents. As I mentioned earlier today, in recognition of our constituents it seems to me we have an obligation to the American taxpayer to assure that these dollars are being spent prudently.

We can document for the gentleman's benefit millions of dollars which have gone down the tube as a result of decisions made by executives within the U.S. Postal Service who are no longer aboard. This has been one of the great problems in this transition, where people have been aboard for about 3 or 4 or 5 months, and have made some very costly decisions which cost a great deal of money. That money is then deemed as having been spent erroneously, and there is no recourse and there is no accountability whatsoever for these people.

That is what we are trying to do by virtue of this legislation, and in no degree is it our intent to get back into the traditional concept of the U.S. Post Office Department.

Mr. GERALD R. FORD. May I simply say that at the outset the gentleman from New York said this means Congress will give guidance. Guidance is a very broad term. Once the camel's nose is under the tent, as the gentleman advocates, the gentleman and those people who sponsor this legislation are going to get back in the same old rut of trying to run the Post Office Department. It was not run as well in the old days as I believe it can be under the new system.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Just to correct the record, I believe that Postmasters General O'Brien, Gronouski, and Blount supported this, but Mr. Day actually appeared in opposition to it. There was great support, as the gentleman stated, by former Postmasters General.

Mr. GERALD R. FORD. The record is corrected. I know a good many, if not all former Postmasters General, supported it.

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

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. STEED. I just want to call attention to the fact that under the terms of the bill now before us "no appropriation shall be made to the Postal Service under subsection (b) or (c) of this section for any fiscal year commencing on or after July 1, 1973, unless previously authorized by legislation."

My subcommittee has just finished marking up the appropriation bill under which the postal items are contained, a total of about $1.3 billion. Then there is the matter of $284 million owed to the retirement fund for the last postal pay raise. If this becomes law we cannot do what we have just done. There is no way any authorizing legislation could be passed behind this bill so that we could bring any money in here.

So if this becomes law and we are not allowed to proceed the way we now are, then there is going to be no money from this Congress to the Postal Service for nobody knows how long, and I do not know what the consequences of that will be, because under the continuing resolution they have been able to draw funds and under our bill they did, but under this legislation there would be no funds.

Mr. Chairman, is that the gentleman's interpretation of what this is going to mean?

Mr. HANLEY. Mr. Chairman, will the minority leader yield to me?

Mr. GERALD R. FORD. I yield to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, the matter referred to by the gentleman from Oklahoma (Mr. STEED) has been corrected by an amendment, so that it does apply to the current fiscal year. We are talking about the subsequent year. So the problem that the gentleman envi-

sions does not prevail. The amendment has been adopted.

Mr. STEED. But is there anything provided about how to make up the delinquency in the retirement fund and on the issue of whether or not the general taxpayer or the postal patron is going to pay the funds into the retirement fund that the postal pay raise created? We are already $284 million in arrears for the last 5½ percent postal pay raise, and we have another $4 million a year for the next 30 years. Another 15 percent postal pay raise has been agreed to. That is going to add another $100 million.

Mr. SMITH of New York. Mr. Chairman, I move to strike the last word.

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

Mr. SMITH of New York. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I sense the desire of the Members to go about their Thursday evening business, so I will take only a few seconds.

I am sure the gentleman from Oklahoma (Mr. STEED) would support me in this interpretation: Under the present postal law, approximately 10 percent of the current postal budget is currently appropriated principally because of revenue foregone and rates dictated by Congress, lower rates dictated by Congress for postal service.

Now, the moment we come back in with authorizing machinery, we are immediately touching the ratemaking. Let there be no doubt about that. If we do not touch the ratemaking procedure, this bill does not give the Committee on Post Office and Civil Service any more legislative oversight than it already has.

Mr. Chairman, this bill, I again say, is a hoax. I suggest the Members vote against it and have a happy weekend.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, during the general debate the gentleman from Michigan (Mr. CHAMBERLAIN) mentioned that he attempted without success to get a list of the postmasters in his district. In my district, where some of the rural homes may not have telephones and are difficult to reach except by and through the postmasters, I found it also necessary to get such a list. Unfortunately, I ran into the same experience.

I also attempted to see the Postmaster General and the various congressional liaison officers informed me that that would scarcely be possible at that time. I brought these matters to the attention of the chairman of the subcommittee, my good friend, the gentleman from New York (Mr. HANLEY) and he subsequently wrote to the Postmaster General on both of these points.

I was invited down to have a very productive meeting with the Postmaster General. General Klassen expressed some surprise that the list of postmasters was so difficult to obtain, and that I had not been able to see him. He did provide me with a full list of the postmasters, which I believe any Member of Congress can now obtain. He added that if any Member of Congress wanted to see him, the best course of action was to call directly and not go through the congressional liasion officers.

Mr. Chairman, my point is simply this: I think the Postmaster General and some of his top officials are doing an able and adequate job. I have long admired people like Arthur Eden, who is one of the Nation's outstanding experts on rates. I think the top officials in the Post Office Department are able people.

However, there are occasions when people down the line perhaps have rubbed Members of Congress the wrong way, which may be the reason that legislation like this is being brought to the floor. Certainly, there are many complaints about poor postal service which are justified.

I am not certain whether this legislation is going to perform the miracles which the authors of this legislation hope to achieve. I have great confidence in Postmaster General Klassen. But just as I believe that the President of the United States should really know everything important that is going on in the White House, likewise I believe the Postmaster General ought to know everything important that is going on within the Postal Service.

If we can trust the Postmaster General with his great business ability to improve the bad postal service, perhaps we may not need legislation like this. Yet on the face of it, this appears to be a fairly reasonable bill, which I intend to support. I feel, in summary, that any step which provides for additional congressional oversight will be a step in the right direction. Therefore, I will reluctantly vote for the bill, even though I am really not sure it is going to accomplish everything it is cracked up to do.

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

Mr. Chairman, I know the hour is late and Members are in a hurry, so I have withheld an amendment I have here and I will not be offering it, but I would like to ask the chairman of the subcommittee who brought this bill out when we are going to address the real problem.

I have listened to 3 hours of debate this afternoon and not once has the word "monopoly" been mentioned. Monopoly is the problem with the post office. All the Postal Service needs to do is to repeal the Federal Government's monopoly to carry first-class mail, and then we do not need to come here legislate about carrying letters—because the consumers will put the pressure on them.

Do you have any idea when we will be able to have hearings on my bill H.R. 1233?

Mr. HANLEY. Will the gentleman yield?

Mr. SYMMS. I yield to the gentleman.

Mr. HANLEY. Within the past 2 weeks, and it was just in the past 2 weeks, the Postal Service submitted its recommendations on this matter. They are now under study in the committee, and hopefully in the very near future we will be able to schedule some hearings.

Mr. SYMMS. Do you think then there will be an opportunity and that we will have some hearings and be able to address the problem of monopoly? I heard Postmaster Benjamin Franklin mentioned today. When he was a postmaster 95 percent of the mail was carried by private citizens. That was way back in 1850—when we took away the right to carry mail from the private citizens and the monopoly—it went back to the Government and Congress had control. What an awful mess.

I don't think Congress is capable of running anything. I agree with Mr. FORD, my minority leader on this issue. We will have another opportunity to address ourselves to the problem, I hope. Any chance we have of solving the post office problem will not come until we get rid of the monopoly. Do you think we will have hearings in the near future?

Mr. HANLEY. If the gentleman will yield further, we will have hearings, and for the benefit of the Member, let me say—and I repeat something I said previously today—we also have an on-going investigation into all aspects of the U.S. Postal Service. We are conducting these hearings in Washington and in the field. Tomorrow we will be in Mr. FORD's city of Detroit for a day of extensive hearings. All of the things are under consideration, and eventually we will be offering either administrative recommendations or legislative recommendations dealing with this whole matter.

Mr. CRANE. Will the gentleman yield?

Mr. SYMMS. I yield to the gentleman.

Mr. CRANE. I simply want to commend the gentleman from Idaho for raising this serious area of discussion in the whole matter of the frustration of getting proper mail delivery. I am pleased beyond words to find out that the committee will have hearings on this matter.

Let me say in response to the chairman who announced a moment ago with respect to what the Post Office and Civil Service Committee did in its report that there was an in-house study, and later on I will put remarks in the RECORD with regard to an analysis with regard to the deficiencies of that study and will be happy to send them on to the chairman, because I think the study does not answer the question that was put to that committee, and I hope the analysis will be of some use to them in dealing with this question.

Mr. SYMMS. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I now yield to the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Chairman, I would like to say to the gentleman from Idaho that I agree entirely that some outside competition would be very, very helpful in making the Postal Service Department a better organization. Where it has been tried—and I think it was in Oklahoma in the first instance, and it has been studied elsewhere—they are doing a good service. And if there were some of these shackles taken off then I think they could do a better job, and that competition would make the Postal Service a better organization.

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Michigan.

Mr. Chairman, I would just like to point out to the Members of the House that we carry, milk, butter, and eggs in private enterprise, and that we can also

carry mail and letters, if the Congress will only let them carry first-class mail.

This bill will do nothing to solve that problem, so I will vote against the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAZZOLI, 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. 2990) to provide for annual authorization of appropriations to the U.S. Postal Service, pursuant to House Resolution 438, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

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

The amendments were agreed to.

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

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

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 328, nays 65, not voting 40, as follows:

[Roll No. 336]

YEAS—328

Abzug	Clancy	Gibbons
Adams	Clark	Gilman
Addabbo	Clausen, Don H.	Ginn
Anderson, Calif.	Clay	Gonzalez
Andrews, N.C.	Cohen	Grasso
Andrews, N. Dak.	Collins, Ill.	Gray
Annunzio	Collins, Tex.	Green, Pa.
Archer	Conlan	Gross
Arends	Corman	Gubser
Armstrong	Cotter	Guyer
Ashbrook	Coughlin	Haley
Ashley	Cronin	Hammer-schmidt
Badillo	Culver	Hanley
Bafalis	Daniel, Dan	Hanna
Barrett	Daniel, Robert W., Jr.	Hanrahan
Beard	Daniels, Dominick V.	Hansen, Wash.
Bennett	Davis, Ga.	Harrington
Bergland	Davis, S.C.	Harsha
Biaggi	de la Garza	Hastings
Biester	Delaney	Hays
Bingham	Denholm	Hébert
Blackburn	Dennis	Hechler, W. Va.
Blatnik	Dickinson	Heckler, Mass.
Boggs	Diggs	Heinz
Boland	Dingell	Helstoski
Bowen	Dorn	Henderson
Brademas	Drinan	Hicks
Brasco	Dulski	Hillis
Bray	Duncan	Hogan
Breaux	du Pont	Holifield
Brinkley	Edwards, Calif.	Holt
Brooks	Eilberg	Holtzman
Broomfield	Esch	Horton
Brotzman	Eshleman	Howard
Brown, Calif.	Evans, Colo.	Huber
Brown, Mich.	Evins, Tenn.	Hudnut
Broyhill, Va.	Fascell	Hungate
Buchanan	Fish	Hunt
Burgener	Flood	Hutchinson
Burke, Calif.	Flowers	Ichord
Burke, Fla.	Flynt	Johnson, Pa.
Burke, Mass.	Foley	Jones, Ala.
Burleson, Tex.	Ford, William D.	Jones, N.C.
Burlison, Mo.	Forsythe	Jones, Tenn.
Burton	Fountain	Jordan
Butler	Fraser	Karth
Byron	Frey	Kastenmeier
Carey, N.Y.	Fulton	Kazen
Carney, Ohio	Gaydos	Ketchum
Casey, Tex.	Gettys	King
Chamberlain	Giaimo	Kluczynski
Chisholm	Gilman	Koch
Clancy	Ginn	Kyros
Clark	Gonzalez	Latta
Clausen, Don H.	Grasso	Leggett
Clay	Gray	Lehman
Cohen	Green, Pa.	Lent
Collins, Ill.	Gross	Long, La.
Collins, Tex.	Gubser	Long, Md.
Conlan	Guyer	Lott
Corman	Haley	McCloskey
Cotter	Hammer-schmidt	McCollister
Coughlin	Hanley	McCormack
Cronin	Hanna	McDade
Culver	Hanrahan	McKay
Daniel, Dan	Hansen, Wash.	McKinney
Daniel, Robert W., Jr.	Harrington	Macdonald
Daniels, Dominick V.	Harsha	Madden
Davis, Ga.	Hastings	Mahon
Davis, S.C.	Hays	Mallary
de la Garza	Hébert	Mann
Delaney	Hechler, W. Va.	Maraziti
Denholm	Heckler, Mass.	Martin, Nebr.
Dennis	Heinz	Martin, N.C.
Dickinson	Helstoski	Mathias, Calif.
Diggs	Henderson	Mathis, Ga.
Dingell	Hicks	Matsunaga
Dorn	Hillis	Mazzoli
Drinan	Hogan	Meeds
Dulski	Holifield	Melcher
Duncan	Holt	Metcalfe
du Pont	Holtzman	Mezvinsky
Edwards, Calif.	Horton	Michel
Eilberg	Howard	Milford
Esch	Huber	Miller
Eshleman	Hudnut	Mills, Ark.
Evans, Colo.	Hungate	Minish
Evins, Tenn.	Hunt	Mink
Fascell	Hutchinson	Minshall, Ohio
Fish	Ichord	Mitchell, Md.
Flood	Johnson, Pa.	Mizell
Flowers	Jones, Ala.	Moakley
Flynt	Jones, N.C.	Mollohan
Foley	Jones, Tenn.	Montgomery
Ford, William D.	Jordan	Moorhead, Calif.
Forsythe	Karth	Moss
Fountain	Kastenmeier	Murphy, Ill.
Fraser	Kazen	Murphy, N.Y.
Frey	Ketchum	Myers
Fulton	King	Natcher
Gaydos	Kluczynski	Nedzi
Gettys	Koch	Nelsen
Giaimo	Kyros	Nichols
Gilman	Latta	Nix
Ginn	Leggett	Obey
Gonzalez	Lehman	O'Hara
Grasso	Lent	O'Neill
Gray	Long, La.	Owens
Green, Pa.	Long, Md.	Parris
Gross	Lott	Passman
Gubser	McCloskey	Patman
Guyer	McCollister	Patten
Haley	McCormack	Perkins
Hammer-schmidt	McDade	Pickle
Hanley	McKay	Pike
Hanna	McKinney	Poage
Hanrahan	Macdonald	Podell
Hansen, Wash.	Madden	Powell, Ohio
Harrington	Mahon	Preyer
Harsha	Mallary	Price, Ill.
Hastings	Mann	Pritchard
Hays	Maraziti	Quie
Hébert	Martin, Nebr.	Quillen
Hechler, W. Va.	Martin, N.C.	Randall
Heckler, Mass.	Mathias, Calif.	Rangel
Heinz	Mathis, Ga.	Rarick
Helstoski	Matsunaga	Rees
Henderson	Mazzoli	Regula
Hicks	Meeds	Reid
Hillis	Melcher	Reuss
Hogan	Metcalfe	Riegle
Holifield	Mezvinsky	Rinaldo
Holt	Michel	Roberts
Holtzman	Milford	Robinson, Va.
Horton	Miller	Rodino
Howard	Mills, Ark.	Rogers
Huber	Minish	Roncalio, Wyo.
Hudnut	Mink	Roncallo, N.Y.
Hungate	Minshall, Ohio	Rooney, N.Y.
Hunt	Mitchell, Md.	Rooney, Pa.
Hutchinson	Mizell	Rose
Ichord	Moakley	Rosenthal
Johnson, Pa.	Mollohan	Rostenkowski
Jones, Ala.	Montgomery	Roush
Jones, N.C.	Moorhead, Calif.	Rousselot
Jones, Tenn.	Moss	Roy
Jordan	Murphy, Ill.	Runnels
Karth	Murphy, N.Y.	Ruth
Kastenmeier	Myers	Ryan
Kazen	Natcher	St Germain
Ketchum	Nedzi	Sandman
King	Nelsen	Sarasin
Kluczynski	Nichols	Sarbanes
Koch	Nix	Saylor
Kyros	Obey	Scherle
Latta	O'Hara	Schroeder
Leggett	O'Neill	Sebelius
Lehman	Owens	Seiberling
Lent	Parris	Shipley
Long, La.	Passman	Shoup
Long, Md.	Patman	Shriver
Lott	Patten	Shuster
McCloskey	Perkins	Sikes
McCollister	Pickle	Sisk
McCormack	Pike	Skubitz
McDade	Poage	Slack
McKay	Podell	Smith, Iowa
McKinney	Powell, Ohio	Snyder
Macdonald	Preyer	Spence
Madden	Price, Ill.	Staggers
Mahon	Pritchard	Stark
Mallary	Quie	Steele
Mann	Quillen	Steelman
Maraziti	Randall	Steiger, Ariz.
Martin, Nebr.	Rangel	Stephens
Martin, N.C.	Rarick	Stokes
Mathias, Calif.	Rees	Stratton
Mathis, Ga.	Regula	Stubblefield
Matsunaga	Reid	Stuckey
Mazzoli	Reuss	Studds
Meeds	Riegle	Sullivan
Melcher	Rinaldo	Symington
Metcalfe	Roberts	Talcott
Mezvinsky	Robinson, Va.	Taylor, Mo.
Michel	Rodino	Taylor, N.C.
Milford	Rogers	Teague, Calif.
Miller	Roncalio, Wyo.	Thompson, N.J.
Mills, Ark.	Roncallo, N.Y.	Thone
Minish	Rooney, N.Y.	Thornton
Mink	Rooney, Pa.	Tiernan
Minshall, Ohio	Rose	Udall
Mitchell, Md.	Rosenthal	Ullman
Mizell	Rostenkowski	Van Deerlin
Moakley	Roush	Vander Jagt
Mollohan	Rousselot	Vanik
Montgomery	Roy	Veysey
Moorhead, Calif.	Runnels	Vigorito
Moss	Ruth	Waggonner
Murphy, Ill.	Ryan	Waldie
Murphy, N.Y.	St Germain	Walsh
Myers	Sandman	Wampler
Natcher	Sarasin	Whalen
Nedzi	Sarbanes	White
Nelsen	Saylor	Whitehurst
Nichols	Scherle	Whitten
Nix	Schroeder	Widnall
Obey	Sebelius	Williams
O'Hara	Seiberling	Wilson, Bob
O'Neill	Shipley	Wilson, Charles H., Calif.
Owens	Shoup	Wilson, Charles, Tex.
Parris	Shriver	Winn
Passman	Shuster	Wolff
Patman	Sikes	Wright
Patten	Sisk	Wyatt
Perkins	Skubitz	Wydler
Pickle	Slack	Wylie
Pike	Smith, Iowa	Yates
Poage	Snyder	Yatron
Podell	Spence	Young, Alaska
Powell, Ohio	Staggers	Young, Fla.
Preyer	Stark	Young, Ga.
Price, Ill.	Steele	Young, S.C.
Pritchard	Steelman	Young, Tex.
Quie	Steiger, Ariz.	Zablocki
Quillen	Stephens	Zion
Randall	Stokes	Zwach
Rangel	Stratton	
Rarick	Stubblefield	
Rees	Stuckey	
Regula	Studds	
Reid	Sullivan	
Reuss	Symington	
Riegle	Talcott	
Rinaldo	Taylor, Mo.	
Roberts	Taylor, N.C.	
Robinson, Va.	Teague, Calif.	
Rodino	Thompson, N.J.	
Rogers	Thone	
Roncalio, Wyo.	Thornton	
Roncallo, N.Y.	Tiernan	
Rooney, N.Y.	Udall	
Rooney, Pa.	Ullman	
Rose	Van Deerlin	
Rosenthal	Vander Jagt	
Rostenkowski	Vanik	
Roush	Veysey	
Rousselot	Vigorito	
Roy	Waggonner	
Runnels	Waldie	
Ruth	Walsh	
Ryan	Wampler	
St Germain	Whalen	
Sandman	White	
Sarasin	Whitehurst	
Sarbanes	Whitten	
Saylor	Widnall	
Scherle	Williams	
Schroeder	Wilson, Bob	
Sebelius	Wilson, Charles H., Calif.	
Seiberling	Wilson, Charles, Tex.	
Shipley	Winn	
Shoup	Wolff	
Shriver	Wright	
Shuster	Wyatt	
Sikes	Wydler	
Sisk	Wylie	
Skubitz	Yates	
Slack	Yatron	
Smith, Iowa	Young, Alaska	
Snyder	Young, Fla.	
Spence	Young, Ga.	
Staggers	Young, S.C.	
Stark	Young, Tex.	
Steele	Zablocki	
Steelman	Zion	
Steiger, Ariz.	Zwach	
Stephens		
Stokes		
Stratton		
Stubblefield		
Stuckey		
Studds		
Sullivan		
Symington		
Talcott		
Taylor, Mo.		
Taylor, N.C.		
Teague, Calif.		
Thompson, N.J.		
Thone		
Thornton		
Tiernan		
Udall		
Ullman		
Van Deerlin		
Vander Jagt		
Vanik		
Veysey		
Vigorito		
Waggonner		
Waldie		
Walsh		
Wampler		
Whalen		
White		
Whitehurst		
Whitten		
Widnall		
Williams		
Wilson, Bob		
Wilson, Charles H., Calif.		
Wilson, Charles, Tex.		
Winn		
Wolff		
Wright		
Wyatt		
Wydler		
Wylie		
Yates		
Yatron		
Young, Alaska		
Young, Fla.		
Young, Ga.		
Young, S.C.		
Young, Tex.		
Zablocki		
Zion		
Zwach		

NAYS—65

Abdnor	Edwards, Ala.	Peyser
Anderson, Ill.	Erlenborn	Price, Tex.
Baker	Ford, Gerald R.	Railsback
Bevill	Frelinghuysen	Rhodes
Bolling	Froehlich	Robison, N.Y.
Breckinridge	Giaimo	Schneebeli
Brown, Ohio	Goodling	Smith, N.Y.
Broyhill, N.C.	Green, Oreg.	Stanton, J. William
Camp	Grover	Stanton, James V.
Chappell	Gude	Steed
Clawson, Del	Hamilton	Steiger, Wis.
Cleveland	Hansen, Idaho	Symms
Cochran	Hosmer	Thomson, Wis.
Collier	Jarman	Towell, Nev.
Conable	Jones, Okla.	Treen
Conte	Keating	Ware
Conyers	Lujan	Wiggins
Crane	McClory	Wyman
Davis, Wis.	McEwen	Young, Ill.
Dellenback	Madigan	
Derwinski	Mayne	
Devine	Mosher	
Donohue	O'Brien	

NOT VOTING—40

Alexander	Goldwater	McSpadden
Aspin	Griffiths	Mailliard
Bell	Gunter	Mitchell, N.Y.
Carter	Harvey	Moorhead, Pa.
Cederberg	Hawkins	Morgan
Danielson	Hinshaw	Pepper
Dellums	Johnson, Calif.	Pettis
Dent	Johnson, Colo.	Roe
Downing	Kemp	Roybal
Eckhardt	Kuykendall	Ruppe
Findley	Landgrebe	Satterfield
Fisher	Landrum	Teague, Tex.
Frenzel	Litton	
Fuqua	McFall	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Satterfield.

Mr. Fuqua with Mr. Downing.

Mr. Teague of Texas with Mr. Aspin.

Mr. Roe with Mr. Johnson of Colorado.

Mr. Morgan with Mr. Ruppe.

Mr. Moorhead of Pennsylvania with Mr. Pettis.

Mr. McFall with Mr. Mailliard.

Mrs. Griffiths with Mr. Cederberg.

Mr. Gunter with Mr. Kuykendall.

Mr. Danielson with Mr. Mitchell of New York.

Mr. Alexander with Mr. Kemp.

Mr. Fisher with Mr. Landgrebe.

Mr. Johnson of California with Mr. Goldwater.

Mr. Hawkins with Mr. Bell.

Mr. Pepper with Mr. Harvey.

Mr. Landrum with Mr. Carter.

Mr. Roybal with Mr. Hinshaw.

Mr. Litton with Mr. Findley.

Mr. Eckhardt with Mr. Dellums.

Mr. McSpadden with Mr. Frenzel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 2990), which has just been passed.

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

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF JULY 16, 1973

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

Mr. GERALD R. FORD. Mr. Speaker, I take this minute for the purpose of asking the distinguished majority leader the program for the rest of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield to me, I shall be happy to respond.

Mr. GERALD R. FORD. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, we have concluded this week's business, and with the motion to adjourn we will be through until Monday next.

The program for the House of Representatives for the week of July 16, 1973, is as follows:

On Monday, Consent Calendar; suspensions, no bills. H.R. 8860, the Agricultural Act extension, conclude consideration.

On Tuesday, the Private Calendar, and we have following suspensions H.R. 5649, Steamboat *Delta Queen* exemption.

H.R. 8245, Reorganization Plan No. 2 amendment;

H.R. 7423, Wagner-O'Day Act authorization;

H.R. 6078, Customs and Immigration inspectors classification;

H.R. 8949, flexible GI interest rate authority in VA;

H.R. 9048, Veterans Health Care Expansion Act;

S. 2120, railroad safety and hazardous materials control amendments; and

S. 1752, National Commission on Productivity and Work Quality.

For Wednesday there is H.J. Res. 542, War Powers. We have already had the debate on that so we will have the consideration of amendments and the vote on the bill.

For Thursday and Friday—there will be a session on Friday—there will be consideration of the following:

H.R. 8547, Export Administration Act amendments, under an open rule, with 1 hour of debate;

H.R. 8538, Public Broadcasting Corporation authorization, under an open rule, with 1 hour of debate;

House Resolution 474, Special Committee to Investigate Campaign Expenditures;

H.R. 8929, educational and cultural postal amendments, subject to a rule being granted;

H.R. 5356, Toxic Substances Control Act, subject to a rule being granted; and

H.R. 8449, national flood insurance expansion, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

May I also say to the distinguished minority leader at this time to get it straight for the record, that we will work on next Friday.

July 27 is an open Friday, and we do not anticipate working that day as we agreed earlier in the year.

Friday, August 3 will be the last day of work before we go on the August recess. We will work that day, Friday, August 3. I say this so that it will be a matter of record.

Mr. GERALD R. FORD. I thank the gentleman.

ADJOURNMENT OVER TO MONDAY, JULY 16, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

PERSONAL EXPLANATION

Mr. YOUNG of Illinois. Mr. Speaker, yesterday during the malfunction of the electronic voting machine, during rollcall No. 330, on the Agriculture and Consumer Protection Act of 1973, I was recorded as voting "no" against the Sisk amendment. I should like to correct that. I am for the Sisk amendment.

H. R. GROSS: CONSCIENCE IN THE HOUSE

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

Mr. ADDABBO. Mr. Speaker, our distinguished colleague from Iowa, the Honorable H. R. GROSS, celebrated his birthday during this past June and I want to take this opportunity to wish him many years of health and continued public service. It is also an appropriate occasion to call to the attention of my colleagues, a most interesting article which appeared in the August 1972 issue of the Reader's Digest entitled "H. R. GROSS: Conscience in the House."

The text of the article follows:

H. R. GROSS: CONSCIENCE IN THE HOUSE

(By Jacques Leslie)

The front room of his office gives fair warning of what lies within. One sign on the wall says, "Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody." Another says, "There is always free cheese in a mousetrap."

Called by some the "watchdog of the federal treasury" and by others the "abominable no-man of the House," Harold Royce (H. R.) Gross, Republican Congressman from Iowa, has built his reputation on uncompromising integrity, a rough-hewn sense of humor and an unquestioning belief in the wisdom of a balanced budget. Estimates of the amount Gross has pared from the federal budget and has therefore "saved" taxpayers during his 23 years as Congressman range from millions to billions of dollars.

Gross cultivates the idea that he is a principled loner, an exception among men who have taken to heart Sam Rayburn's maxim, "To get along, go along." In the 91st Congress, for example, he voted against President Nixon more often than all other Congressmen serving a full two-year term, opposing him on 58 percent of roll-call votes. (The average House member opposed the President 29 percent of the time.) "If I'm convinced that a bill is bad, or enough of it is bad to overbalance the good in it, why I'll vote against it," Gross says. "It doesn't bother me to be in the minority."

Among the programs Gross has unsuccessfully opposed are foreign aid, the Peace Corps, all salary increases for Congressmen from the time they received $12,500 a year (they now get $42,500) and the United Nations. Occasionally, when he loses, Gross resorts to sarcasm. When a bill passed to reimburse New York City for its expenses during Khrushchev's 1960 visit to the U.N., Gross said on the floor, "I swear I think that what we ought to do is pass a bill to remove the torch from the hand of the Statue of Liberty and insert a tin cup."

Gross is a slight man with a booming voice. Born on a farm in Arispe, Iowa, in 1899, he never finished high school. After serving in the Army at the Mexican border and in France in World War I, he studied at the University of Missouri School of Journalism but did not receive a degree. For the next 15 years he worked as a reporter and editor, then as a newscaster for radio station WHO in Des Moines. Known as the "fastest tongue in radio," he could speak 200 words a minute in a clear, solid tone.

Gross first ran unsuccessfully in the Republican primary for governor in 1940, then in 1948 was elected to Congress from Iowa's Third District. He has been there ever since.

Some observers think of Gross as a clown, who "has exploited and profited from every rigid prejudice in Iowa." A look at the newsletter he sends out weekly to 9,000 Iowa subscribers does not dispel that notion. In it, the United States is referred to as "Uncle Sap," "Uncle Sucker" and "Uncle Handout"; the Pentagon is "Fort Fumble." After mentioning a news account about President Johnson tossing beer cans out of his car as he sped around his Texas ranch, Gross suggested that "Home on the Range," be changed to "Foam on the Range."

Gross himself is the frequent object of barbs from other Congressmen. Observing that he has not left the United States since World War I and is opposed to Congressional junkets, Reps. John Ashbrook (R., Ohio) and Frank Thompson (D., N.J.) sponsored a resolution in 1970 to create a committee, consisting only of Gross, with the task of inspecting U.S. economic and military-aid expenditures throughout the world. Junketing Congressmen often send Gross postcards from the countries they visit. "Paris is great! Wish you were here!" Yet for all the kidding he receives, Gross is praised by a large number of Congressmen on both sides of the aisle.

The conventional wisdom among Representatives is that it is important to have one person like Gross in Congress, but that if Grosses filled the House, it would be unworkable. He introduces few bills and does not play an active role in the shaping of legislation. Instead, his function is essentially negative.

Gross is the only Congressman who makes a concerted effort to read the entire contents of every bill that reaches the House floor. (This is no mean feat; in the 91st Congress, for example, 1415 bills, many several hundred pages long, were reported to the floor.) He is constantly on the lookout for wasteful appropriations, self-serving arrangements among members and ambiguous legislation. When he is unclear about some bill, he asks a question, and the response is then a matter of record. If the answer does not satisfy him, he may turn to procedural gimmicks to delay or prevent the bill's passage. He is well prepared, a good debater and expert parliamentarian.

The most famous of Gross's techniques is the quorum call—it takes half an hour to read the list of Representatives' names. Gross believes that a Congressman's first responsibility to to be on the floor when the House is in session, and he may well have called for quorum more often than any other Congressman in history. Once, Rep. Tom Rees (D., Calif.), angered by two calls (one by Gross), made a speech on the House floor against "capricious and senseless use of quorum calls which have little or no relationship to the important matters which this Congress has at hand." As soon as Rees finished, Gross made a point of order that a quorum was not present.

Another weapon is objecting to unanimous-consent requests. The House handles much of its business by this means, and the objection of one member is enough to defeat a unanimous-consent motion. Gross employs this technique to combat the "Tuesday-Thursday Club"—Congressmen who arrange to have unimportant business scheduled on Friday and Monday so that they can go home four days at a stretch.

Gross has made himself an expert on House procedure, which is codified in four sources: the Constitution, the House rules, Thomas Jefferson's *Manual* and the 11 volumes of *Precedents of the House of Representatives*. "Some Congressmen who've been here for several terms don't even know the working rules of the House," he says. "Some of these people are pitiful. Nobody can tell me that the country wouldn't be better served if more of them knew what the hell was going on."

Because of his willingness to use all the parliamentary procedures at his disposal, many committee chairmen try to iron out possible differences with Gross by notifying him of their intentions in advance. Some Congressmen have changed legislation in committee to anticipate Gross's objections

on the floor. Thus, though Gross rarely has the votes to back up his convictions, he does have a veto power over some aspects of legislation.

The basic article of Gross's faith is summed up in his bill, H.R. 144 (a gross equals 12 dozen), which he has introduced annually for more than a decade. It calls for a balanced budget and the gradual retirement of the national debt. (The bill is invariably assigned to the Ways and Means Committee and never heard from again.) Not only is deficit spending responsible for the nation's present economic difficulties, Gross says, but also, "We're plastering the generations to come with mortgages that will never be paid off. And this is having its effect on the moral fiber of the country. The main reason why we will go into a crisis will be financial."

Certainly some of Gross's proposed economics are reasonable. One example is a bill he introduced last year to prohibit junkets by lameduck Congressmen. In the past such trips have been authorized as a kind of farewell present to non-returning Congressmen. In July 1969. Gross blocked a unanimous-consent request to skip a House session on the day of the Apollo 11 launching so that Congressmen could accept free government transportation to Cape Kennedy. Gross said he was "unable to find any reason at all why a substantial amount of money should be spent" to transport Congressmen and their families to Florida. Consequently, the House was forced to meet on the day of the launching.

Gross is also concerned with bigger sums. In 1971, he voted against the appropriation bills for the Departments of Commerce, Housing and Urban Development, Interior, Justice, Labor, Post Office, State, Transportation, Treasury, and Health, Education and Welfare. He voted against appropriations for the Office of Education, foreign aid, the National Foundation on the Arts and Humanities, and the Smithsonian Institution. But he did vote in favor of the largest appropriation bill of all, $71 billion for the Department of Defense. "In this business," he said, "I would prefer to make an error on the side of what I conceive to be national security."

Gross gives the impression of a gruff, hard-bitten, no-nonsense curmudgeon, but this is to some extent a self-protective device. He is known among friends as a gentle, gracious man. By Washington standards he leads a spartan existence. While he labors on Capitol Hill, his wife is at home reading and underlining. By the time he returns home, she has put the material she thinks he should read next to his easy chair. At the end of the evening, if there is time, the couple plays a game of cribbage, then goes to bed. Gross has boasted that he does not own a tuxedo, nor his wife an evening gown.

Rep. Otto Passman, one of Gross's admirers, accurately describes the thrust of Gross's efforts in Congress: "I came out of the free-enterprise system," he says, "but it seems that now we are on the road to socialism. Gross has slowed down the trend to socialism from a run to a walk."

With his constant attendance on the House floor, his careful consideration of every bill, and his desire to truly debate legislation on the floor, Gross probably comes closer to embodying the grade-school textbook's concept of a Congressman than any other member. A literalist, Gross believes he is doing what the framers of the Constitution had in mind. We have gone wrong, he thinks, in allowing an all-encompassing federal bureaucracy to control our lives and diminish our freedoms.

GROSS AT HIS GRANDEST

While much of H. R. Gross's fame comes from his role as Congressional gadfly, his record is replete with solid legislative accomplishments.

Last October, for instance, Democrats were confident they had the votes to override a White House plan to delay for six months a $2.6-billion government pay hike. But Gross forced the vote on a day when large numbers of Democrats were junketing in Europe. The result was a narrow but crucial victory for the President's new economic program.

In 1968, what appeared to be a non-controversial bill boosting State Department retirement benefits actually contained a hidden provision calling for a 33-percent increase in Congressional retirement benefits. Only when Gross exposed the retirement boondoggle was it killed.

During the debate over the elevation of Associate Justice Abe Fortas to Chief Justice, Gross detailed examples on the House floor of the jurist's alleged conflicts of interest. Even after the Fortas nomination was withdrawn, Gross kept up his attack and threatened impeachment proceedings. Finally, Fortas resigned rather than face the Congressional inquiry.

For years the late Rep. Mike Kirwan (D., Ohio), chairman of the pork-barreling Public Works Appropriations Subcommittee, sought $10 million for a huge aquarium in the nation's capital. Despite Kirwan's political clout, it was never built—thanks to constant ridicule by Gross.

Asserts Pulitzer Prize-winning journalist Clark Mollenhoff: "No House member in the last 20 years has exposed more waste and corruption in government than H. R. Gross. Time and again his mere presence on the floor has caused others to stand firm."—THE EDITORS.

INFLATION HITS THE LUNCH PROGRAM

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

Mr. PERKINS. Mr. Speaker, the price of food last May was 14.5 percent higher than it was a year ago. The effects of this inflation on the school lunch program were described very well in an article which appeared yesterday in the Washington Post. This article described how some school districts are considering dropping out of the lunch program altogether because they can no longer afford the rapidly escalating price of food. Other school districts are increasing the prices of their lunches; and, if past experience is to be any guide, this will force out of the program many students from middle-class families who will not be able to pay the increased prices.

Earlier this year I introduced H.R. 4974 which would provide, among other things, for an increase in the Federal payment for each school lunch from 8 cents a lunch to 10 cents. Yesterday, the General Subcommittee on Education heard testimony from school administrators from throughout the country urging passage of this legislation. The essence of their testimony confirmed the facts contained in the Washington Post article.

Therefore, Mr. Speaker, I insert that article in the RECORD:

SCHOOL LUNCHES HIT BY INFLATION

(By Louise Cook)

A dime doughtnut is going up to 12 cents in the cafeterias in Seattle schools. A 35-cent school lunch probably will cost 40 cents this winter. A Kentucky school district may abandon its hot lunch program and switch to soup and sandwiches.

These are among the effects of inflation for school districts in widely scattered areas of the country. The districts say they are having problems getting bids on contracts for food and other items because of uncertainty about President Nixon's Phase 4 price controls. Many say their suppliers will sign short-term contracts only; others report that all agreements contain an escalator clause allowing prices to be raised if the cost to the wholesaler goes up.

An Associated Press survey showed that the problem is not universal. Some areas—including Philadelphia, Detroit, Cincinnati, North Carolina, New Jersey and North Dakota—say they have no trouble and do not anticipate any. Other regions, however, report the situation is serious.

"The food situation is more critical than most people realize," said Orvall Nelson, who is in charge of purchasing for the Spokane, Wash., school district. He said that getting deliveries was becoming more and more difficult, suppliers were slow in filling orders and there were cancellations of some contracts. Nelson said there probably will be "increases in the cost of school lunches."

Dominic Fulco, assistant manager in charge of finance and control for the Hartford, Conn., public schools, said wholesalers for meat and other food items have refused to offer bids until later in the year. "We may sustain a bigger loss than anticipated in subsidizing the cafeteria," Fulco said. "We are considering the abandonment of the hot lunch program."

The director of purchasing for Bridgeport, Conn., said schools there have an additional problem: paper. "There is no doubt that the cost of paper is going to go way up," said Edward Sullivan. "It's most likely we'll have to buy less paper and make the supplies go further. This includes everything from colored paper and writing paper to paper plates."

Ken Davis of the Seattle school district said he had trouble with both gasoline and food. He said suppliers cut back his allocation of gasoline to 80 per cent of normal. "We have managed to get along except we have some trouble keeping our own five buses for handicapped children functioning," Davis said. "On food, we do expect additional problems and have already increased some school lunch prices. There will be some additional jumps in the future." He said soup will be up in price—from 15 to 20 cents a bowl.

Vance Ramage, business affairs director of Springfield, Ohio, schools, said he has been told that green vegetables will be hard to buy during the winter and that milk supplies may be short. "Obviously we'll have to increase the price of lunches," he said.

Ramage said lunch prices now range from 35 to 50 cents and predicted they'll all be boosted by 5 cents during the winter.

Guy Potts, superintendent of the Lexington-Fayette County school district in Kentucky, said bids for school lunch supplies are being taken on a month-to-month basis. . . . "We'll just have to see if we have to raise prices," he said. "We may have to go on a soup and sandwich lunch program."

Don Manzanares, chief purchasing agent for the Albuquerque, N.M., public schools, said one of his main suppliers, Oconomowoc of Wisconsin, notified him the company has temporarily withdrawn from the market. Manzanares said other suppliers have told him to expect a 10 to 15 per cent increase in prices depending on what action Mr. Nixon takes after the freeze ends.

TAX SITUATION ON SAN CLEMENTE AND KEY BISCAYNE

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

Mr. KOCH. Mr. Speaker, recent disclosures of General Services Administration expenditures to the privately owned residences of the President and Vice President have stunned and shocked the

American public. Purportedly necessary for the protection of the President and Vice President, many of the repairs and improvements are normal and regular expenses for the American homeowner and apartment dweller. New home furnishings and large-scale landscaping are luxury items that many of us would welcome at Government expense. Fortunately for the American public, such benefits are not provided to each of us under the law; nor should they be provided carte blanche to the President and Vice President.

The American people, like the President, are tired of wasteful spending. While we in the Congress have disagreed with the President in the past as to where such spending excesses should be curtailed, I am certain that no one can dispute the need to end glaring abuses of Government moneys, such as those we have witnessed with many of the nonsecurity expenditures borne by the Government for the President's homes in Key Biscayne, Fla., and San Clemente, Calif., as well as the Vice President's home in Bethesda, Md. As recently as January 20, 1973, in his inaugural address to the Nation, President Nixon challenged the American people to "let each of us ask—not just what government will do for me but what I can do for myself."

It is with that thought in mind that I come to the Congress today, Mr. Speaker, to introduce legislation designed to end the flagrant misuse of taxpayers' moneys. The bill I am proposing will bar future Government expenditures on private Presidential and Vice-Presidential properties without prior congressional approval. It would be tied to the present law governing appropriations to the General Services Administration as the agency which is responsible for implementing Secret Service requests for purchases and improvements necessary for the security and protection of the President and Vice President. Specifically, the bill states that:

No funds appropriated under any Act shall be available on or after the date of the enactment of this Act, without the prior and specific approval of the Congress by law, for any construction, maintenance, renovation, repair or other work, or for the purchase of any addition, facility, furnishing, improvement, or other article or object, to enable the Secret Service to perform its protective functions under section 3056 of title 18, United States Code, with respect to any private or other property not in Government ownership or control which is used as a residence, temporary or other, by any individual whom the Secret Service is authorized to protect.

As you will note, the legislation is written so as to be applicable to the homes of Mrs. Julie Eisenhower in Maryland, and Mr. Robert Abplanalp in the Bahamas, where Government funds have reportedly been expended. The bill also makes allowance for necessary unforeseen expenditures which might be incurred by GSA after its budget has been approved by the Congress. It enables the Administrator of GSA in consultation with the Director of the Secret Service to spend up to $2,500 on each nonfederally owned residence used by the President or Vice President provided that the expense "is necessary to enable the Secret Service to perform its protective functions." Any temporary or removable purchase or improvement would revert to the Government at the end of the President's and Vice President's terms unless the GSA Administrator and the Secret Service Director ruled that such items were necessary for protection and security until death.

To insure that no excessive or extravagant purchases or improvements are made under this exception, this legislation requires GSA to submit an annual report to the Congress of such expenditures.

I want to emphasize that it is not my intention in sponsoring this measure to thwart efforts to protect the President and Vice President. Every responsible American citizen is aware of the need to provide every possible security and protection for the President and Vice President. What I am trying to prevent are future frivolous expenditures, such as $10,000 for the removal of weeds and $2,800 for a swimming pool heater, to cite a few of the many outrageous costs which have been borne by the American taxpayer. No one opposes security needs but creature comforts should not come out of the Treasury.

While my legislation is designed to affect future Government disbursements in behalf of Presidential and Vice-Presidential residences, the cost of the luxuries recently disclosed by GSA and shouldered by the taxpayers should not go unchallenged. Accordingly, I have written to Donald C. Alexander, Commissioner of the Internal Revenue Service requesting an immediate investigation of the tax implications to the President and Vice President of such expenditures. I base my request on section 61 of the Internal Revenue Code of 1954 which defines gross income as "all income from whatever source derived." Thus, if compensation takes a form other than cash or securities, it is nonetheless included in gross income, unless specifically excluded by some other provision of the Code.

You and I and any other citizen would be liable for income taxes upon receipt of such Presidential luxuries as landscaping and den furniture. Such blatant misuse of Government funds must be curbed.

With the thought that it would interest my colleagues in the Congress, the full text of my letter to Commissioner Alexander follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1973.

Hon. DONALD C. ALEXANDER,
Commissioner of Internal Revenue,
Washington, D.C.

DEAR MR. ALEXANDER: On June 20, 1973, the General Services Administration (GSA), Region 4, released a Schedule of Costs Incurred at the Presidential Complex, Key Biscayne, Florida. This was followed on June 21, 1973, by a similar GSA study summarizing the costs incurred by the Federal Government for the Presidential Compound in San Clemente, California. There was also released, on June 28, 1973, a GSA report of the expenditures for Vice President Agnew's residence in Bethesda, Maryland for the period April through June, 1973.

Many of these expenses have been characterized as part of the costs incurred at the request of the U.S. Secret Service in support of its requirement to protect the President and Vice President. Others, however, appear to be merely of a maintenance or capital improvement nature. These include heating system modification, landscaping, a swimming pool cleaner, washing machine, lawn mower, ice-maker and many other items that normally are incurred by a homeowner to repair or improve his residence. In the instance of the President and Vice President, however, these costs have been borne entirely by the Federal Government.

Section 61 of the Internal Revenue Code of 1954, as amended, defines gross income as "all income from whatever source derived." Thus, if compensation takes a form other than cash or securities, it is nonetheless included in gross income, unless specifically excluded by some other provision of the Code. Accordingly, the receipt of an automobile from a business friend for past or future services is compensation, as would be the receipt of any other type of real or personal property.

The payment by the Federal government for home improvements, landscaping, office furniture and other items of non-security nature for both of the personal residences of the President appear to be additional compensation to him, and thus should be included in his gross income for the years in which the work was done. At the very least a serious investigation should be undertaken to determine the exact tax implications of these expenditures by the government on behalf of the President.

There is also the question of the future tax effects of the security-related improvements. Assuming that the value of the San Clemente and Key Biscayne properties will be enhanced by the expenses for Secret Service protection, how should these be treated upon completion of Mr. Nixon's term of office? It does not seem equitable that the President should receive government paid renovations of his personal residences and then be able to reap the benefits on a future sale of the homes. It would appear that these security expenditures, therefore, should also be included in ordinary income, if and when the governmental need therefor has expired, or at the least, upon sale of the property.

Immediate review of these questions is essential. It would be highly unfair for the average taxpayer to bear the full burden of the Internal Revenue Code while the President is able to escape taxation on expenditures made for him by his employer, the Federal Government. Accordingly, I will appreciate receipt of your opinion as to the federal income tax consequences of the expenditures outlined herein and your advice as to what steps are to be taken by Internal Revenue Service with respect thereto.

Sincerely,

EDWARD I. KOCH.

AMERICAN FIELD SERVICE INTERNATIONAL SCHOLARSHIP PROGRAM

The SPEAKER pro tempore (Mr. BOWEN). Under a previous order of the House, the gentleman from New York (Mr. SMITH) is recognized for 30 minutes.

Mr. SMITH of New York. Mr. Speaker, I have eaten and sold a lot of pizza to support the organization I invite you to join me in honoring today—The American Field Service.

Over 2,000 foreign students from more than 60 countries have concluded a year of living with American families and attending American high schools under the sponsorship of the American Field Service International Scholarship program. They toured Washington this week as a finale to their American year

and are catching planes for home today. Meanwhile, a new group of foreign students are arriving in San Francisco, Miami, and New York to be adopted by American families across the country for the coming school year.

Over a 25 year period, AFS has served 65,063 students. Currently, 4,771 students are involved in programs run by AFS offices in 63 countries. Besides bringing students from other lands to the United States, the AFS sends American students abroad and supervises the exchange of students and educators between other countries. In January, the AFS launched a project which sent 19 Americans to other parts of their own country for 6 months, and last fall AFS started a United States of America-U.S.S.R. Educators Exchange.

The history of the American Field Service International Scholarship program begins with the American Field Service, a voluntary ambulance service organized in World War I and continued and expanded in World War II. These volunteers, with their background of international service and associations combined with a first hand awareness of the impact of war, dreamed of ways to create a peaceful world. The AFS of today is the result of those dreams.

Overseas, AFS works with 700 local committees on six continents with membership in the thousands and 1,500 host families each year. In the United States, there are 400 field representatives, 2,800 local chapters, over 30,000 members and 2,600 host families.

In my own district, volunteer AFS groups in 14 towns and cities sponsored 20 foreign students in local high schools during the past year. In the last 3 years, 20 high school students from the 36th District had the opportunity to live for part of a year in another country.

As an AFS father, I cannot say enough in favor of the organization. I now have five daughters, my own three, plus Vigdis Puntervold of Norway and Rosalind Waddy of Australia.

These two girls gave my family a chance to learn about another way of life and work for international understanding. Then there is the extra pleasant dividend of making friends with their families.

Viggen came to us from Grimstad, Norway, for the 1961–62 school year. We still correspond with her and her family and follow her life in Norway as a mother and wife of a physician.

Rosalind came to us from Cremorne, Australia, in 1964, the year I ran for Congress for the first time. Her father was a member of the Legislative Assembly of New South Wales, and we enjoyed the discussion of the differing methods of campaigning in the two countries. Rosalind brought us friendship with her family and introduced us to a continuing friendship with the Australian ambassadors here in Washington.

My own daughter, Cindy, lived with a family in Ennetbaden, Switzerland, during the summer of 1962 as part of the AFS Americans Abroad program. We have been privileged to meet these wonderful solid people both in Switzerland and when they visited us here in Washington.

I urge my colleagues to look into the American Field Service in their own districts and to support unstintingly this great organization. Year after year it promotes the kind of international understanding that can lead finally to mankind living together in peace with tolerance and brotherhood. The AFS motto puts it more simply—"Walk together—talk together."

I now yield to the distinguished gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Speaker, thank you so much for giving me this opportunity of saluting the American Field Service.

When we think of the American Field Service today, we think of a nonsectarian, nonpolitical, nonprofit, worldwide organization which has as its aim the promotion of understanding and peace through an interchange of living and learning experiences.

However, as with most institutions that touch our lives today, the significance of the AFS takes on new meaning when seen in the context of its history. We see the same selfless service that characterizes AFS in 1973 when we step back to the First World War, when the American Field Service was established for the purpose of sending a volunteer ambulance corps to France. Approximately 2,400 Americans served with the AFS before the United States entered the war.

At the start of World War II the volunteer ambulance corps of the American Field Service was revived. This time 2,196 men volunteered and served in all theaters of the war. Most of them were college boys and men beyond fighting age, who served without pay, provided their own ambulances, and paid their own expenses.

With first hand experience of the destruction and agony involved in two world wars, the American Field Service, in 1946, initiated a new type of program to promote better international understanding, in which high school students between the ages of 16 and 18 were given the opportunity to live for a year or a summer with families in different cultures, to attend school, and to participate fully in the activities of new communities.

The American Field Services has certainly come a long way from that first year when 50 students from 10 different countries visited the United States. Last year, there were 2,682 AFS students from over 60 countries who did much more than merely visit the United States; they became active participants in their host American communities.

However, I feel it should be emphasized that this is a two-way street. Last year, 1,968 American students participated in the AFS program, attending a year of high school in over 50 nations.

Since 1946, more than 65,000 students have had the opportunity to experience the life of a high school student in a foreign land, thanks to AFS.

Most of the students who have lived in the United States have enjoyed the opportunity of visiting with the leaders of the executive, legislative, and judicial branches of our Government during a Washington visit arranged perennially by the Washington AFS committee as the final event of their American year. This committee has my heartiest expressions of gratitude and congratulations.

I do not pretend, and American Field Services certainly does not pretend, that this foreign exchange program is a panacea for the myriad of international problems facing the world today. But, to the extent that students and host families develop the ability to accept others who are different in their cultures and values, then the cause of human understanding has advanced to the same extent.

Mr. COLLINS of Texas. Mr. Speaker, I want to join my good friend HENRY SMITH of New York in this tribute to the American Field Service. Six years ago my oldest daughter, Dorothy, participated in this program. Dorothy spent the summer in Newcastle, England. It was a delightful and educational experience for her. So we have experienced American Field Service benefits also down in Texas.

Since Dorothy visited England, we have had her English family visit us. We also enjoy the correspondence that we have kept up through all the years.

People to people is still the best way to develop close friendships throughout the world. When the participation is from the heart, it is the best cause as it is the most sincere. In Dorothy's case, she really learned to know and love English people. She saw her contemporary friends in their day-to-day living. They played together, they went to school together, and they shared weekends together.

American Field Service is to be congratulated for their splendid program that cements worldwide friendship with America.

Mr. WALSH. Mr. Speaker, one of the greatest problems we face in this world today is inability of nations to communicate with each other. Most of that problem is created by the nations themselves, not the people.

If the people could spend time with each other, perhaps the nations and their leaders could learn from the lasting friendships that would undoubtedly be formed.

There is a very special organization, the American Field Service, which is making great strides in this direction. This organization has two programs which bring students from 60 countries to attend secondary schools for a year of study and experience in the United States and sends our children to countries overseas.

Foreign students coming here live for a school year with American families and attend local high schools. They have the chance to learn our customs, problems, ideals, interests, and other facets of our lives. In turn they pass similar information on to their hosts. When our young people go to other countries, the program is quite similar.

In the past 19 years, some 38,000 students from 76 countries have participated in American Field Service scholarship programs. This private, nonprofit, nonsectarian organization has stated its goal to be the promotion of better understanding between people through international scholarship programs.

Mr. Speaker, the AFS has led the way for many years in bringing people from diverse nations together. Through these efforts, communciation will develop that

will hopefully one day unite the people of the world in peace and understanding.

I join with my colleagues today in saluting the American Field Service and wishing them continued success in their programs. Such programs are unequivocally more fruitful and beneficial to mankind than international misunderstandings brought about by a lack of communication.

Mr. GILMAN. Mr. Speaker, I am pleased to have the opportunity to associate myself with the remarks of my colleagues in recognizing the exceptionally fine work of the American Field Service International Scholarships program.

Originating in 1914 as the work of a voluntary ambulance service, more than 65,000 young American and foreign students between the ages of 16 and 18 have benefited from the educational, cultural and travel opportunities made possible through the AFS program since World War II.

If understanding among the peoples of nations throughout the world, in terms of sensitivity to and appreciation of cultural and historic values, is ever to become a reality, there is no better way I can think of than for young people the world over exchanging their places with counterparts in other lands.

Participating in the life of a foreign community and living with an "adopted" family abroad will always afford a more meaningful cultural exchange than any possible academic exercise confined to the sterility of book learning alone.

The communities and families that sponsor these students are to be commended for their open mindedness and their willingness to learn about our foreign neighbors and to share their unique ideas and values which might otherwise be lost in suspicion, indifference or simple ignorance.

Those who would ask how they can individually participate in a worthy cause are to be encouraged in acquainting themselves with the good work of the American Field Service.

GENERAL LEAVE

Mr. SMITH of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, the American Field Service, today.

The SPEAKER pro tempore (Mr. BOWEN). Is there objection to the request of the gentleman from New York?

There was no objection.

ORGANIZING TO MEET THE ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, we need to put the national energy crisis in perspective. There is so much information—and misinformation—in the pages of the CONGRESSIONAL RECORD and the columns of our daily newspapers, and so many proposals for dealing with this crisis, that we have to take pause and sort out the issues.

President Nixon, in his June 29, 1973, statement relating to energy needs, does not state explicitly that this Nation faces an "energy crisis." He prefers to call it an "energy challenge." He points to the fact that with 6 percent of the world's population, we use one-third of the world's energy output. And since demand is running ahead of supply, "we could," in the President's words, "face a genuine energy crisis in the foreseeable future." Only swift and effective action, he says, will avert the possibility of future crisis.

Whether or not we have an energy crisis or an energy challenge, certainly we have an energy problem, and a serious one, as everyone will agree. Whenever a serious national problem emerges which requires a Government response, three issues immediately become paramount: policy, organization, and resources. We need a sound policy to tell us what must be done, a capable organization to manage the doing and adequate budget resources to pay for it. I will address these three issues, starting wtih the funding aspect. My point of departure for these remarks is the President's recent statement on national energy needs, related Executive actions, and his legislative proposals to the Congress involving energy organization.

FUNDING FOR ENERGY BESEARCH AND DEVELOPMENT

Budget resources always are of interest to the Congress. Other resources also are important—the skills and talents of people, physical facilities, a proper working environment. However, it takes money to train and retain people and build and maintain facilities; and it is the Congress which provides money for the execution of governmental policies. Consequently, whenever a national problem is identified and solutions are proposed, the Congress wants to know: How much will it cost?

The President has announced that he is initiating a $10 billion program for research and development in the energy field, extending over the next 5 years. Earlier, Senator HENRY JACKSON recommended the investment of $20 billion, extending over 10 years. So, we see that both the President and the Senator are in agreement as to the rate of investment in energy research and development, although they have identified different time spans.

These recommendations dramatize the seriousness of the energy problem and bespeak a well-founded faith in the results of research and development. How much money we actually need to spend, and in what specific directions, are, of course, questions not answered by these global estimates. We need much more hard information; and indeed, the President is asking the Atomic Energy Commission to head up a survey and evaluation of the Nation's research and development needs in the energy field.

The mandate placed by the President upon the Atomic Energy Commission is threefold: First, to undertake an immediate review of energy research and development activities, both in Government and private sectors, and to recommend an integrated program, which will actively involve industry in cooperative efforts to develop and demonstrate new technologies with energy applications; second, to recommend, by September 1 of this year, specific projects for which research and development moneys should be allocated during fiscal year 1974; and third, to make recommendations, by December 1 of this year, for energy research and development programs which should be included in the fiscal year 1975 budget.

I should explain that the second of the three tasks just mentioned is associated with the President's proposal to earmark $100 million for expenditures during fiscal year 1974 in energy research and development. His announced aim in this proposed move is to "give impetus to" the $10 billion effort over the next 5 years. The $100 million, apparently to be reprogramed from existing funds, will be used for accelerating certain projects now underway and initiating new ones in what the President calls "critical research and development areas." He is directing that at least one-half of the $100 million for new initiatives be assigned to coal research and development, emphasizing the production of clean liquid fuels from coal, improving mining techniques from the standpoint of safety and productivity, stepping up the coal gasification program, and developing improved combustion systems. The remaining portion of the $100 million is proposed for research and development on advanced energy conversion systems, environmental control, geothermal steam, conservation, and gas-cooled nuclear reactors.

We can see from this outline of preferred expenditures that the President has a general idea where $100 million of research money should be spent in fiscal year 1974. As I said, at least half the amount is to be earmarked for coal research, a move which seems to be well advised. The other half presumably will be allotted in the areas indicated, on the basis of recommendations by the Atomic Energy Commission and other energy policy advisers. They also will determine what energy research and development programs or projects should be supported in succeeding years.

Several additional points should be noted about the President's funding proposals. As mentioned above, he states that he is "initiating" a $10 billion research and development program over a 5-year period. This does not mean that $10 billion of new money will be spent for energy research and development. In fiscal year 1974, approximately $772 million were budgeted for this purpose. With normal expansion and considering the inflationary factor, the yearly allotments probably would increase from year to year. Consequently, the increment of new money for energy research and development, averaged over a 5-year period, would be much less than the $10 billion figure seems to suggest.

Another noteworthy point is that the $100 million which he recommends in fiscal year 1974 is money to be taken

from existing budgets.[1] So far as I know he is not recommending a supplemental appropriation for $100 million, as he did for cancer research back in 1971. His statement of June 29 insists that present budget ceilings for fiscal year 1974 must be maintained, and the $100 million worth of energy research and development is to be funded within that ceiling. The interesting question is: Where will the money come from? How will it be made available? Presumably it will entail reprograming within agencies. I would hope that the President does not have in mind "robbing Peter to pay Paul"—taking from one essential research program to support another.

A NATIONAL POLICY FOR ENERGY

We come now to the policy issue. If one were to ask: "What is our national policy for energy?" we would be hard put to answer. The only policy so far, it seems, is to develop ever new uses for energy, and to assume that it will always be there when we press the electric light switch or drive into the filling station for a tank full of gasoline. Our policy, in short, has been one of unrestricted use, based on assumed abundance.

There is a growing national awareness that unpleasant changes are in store. There are gasoline shortages, electrical brownouts and blackouts, and other interruptions in the supply of fuel or electricity which cause inconveniences and occasional hardships to consumers, to business suppliers, and to workers. These are symptoms of deeper and more serious energy problems which confront the United States.

A natural and immediate reaction is to look to conservation measures—to reduce the demand because the supply is short. The President urges us, and so do many others, to conserve fuel and energy, to cut down on automobile travel, air-conditioning, and use of electrical gadgetry in the home or office. We are asked to travel at 50 rather than 60 or 70 miles per hour on the highways, to buy smaller cars, or to use car pools and public transportation, and to restrain in other ways the habits or practices of an affluent society, which consumes so much fuel and energy. The President suggests that a 5-percent reduction in individual use of energy over the next 12 months is "a reasonable and attainable national goal."

Another specific goal of the administration, announced by the President, is to reduce energy consumption in the Federal agencies by 7 percent over the next 12 months. Each department and agency is to report by July 31 on specific steps to be taken in meeting this goal. The Secretary of Interior will monitor agency reduction efforts and report progress to the President. Among the measures to be taken are: Reducing the level of air-conditioning in all Federal buildings during the summer; cutting down the number of official trips taken by Federal employees; and purchase or leasing of smaller automobiles and other vehicles which provide good gasoline mileage.

The President reports that the Department of Defense, the largest single consumer of energy within the executive branch, has already taken steps to reduce its energy demands by 10 percent over last year, without jeopardizing military preparedness.

In the private sector, industry users will be asked to cut back on unnecessary consumption of energy and participate actively in the conservation effort. The Secretaries of Interior and Commerce will meet with industrial representatives to promote conservation. In doing so, the secretaries will work with Gov. John A. Love, the Director of the newly created Energy Policy Office—which I will discuss later. The Secretary of Transportation will work with the Nation's airlines, the Civil Aeronautics Board, and the Federal Aviation Administration to reduce the speed and frequency of commercial airline flights to achieve significant reductions in fuel consumption.

These conservation efforts are necessary and good. We have to discipline ourselves as a nation against waste and ostentation. We should slow down a bit in our driving and turn off those light bulbs early, as President Johnson became celebrated for doing in the White House, and which President Nixon now has elevated to Government-wide practice. It is proper for the Government to take the lead, and set an example in conserving fuel and energy.

To put these conservation measures in perspective, we should keep clearly in mind that the energy problem has various time dimensions. There are short-range, intermediate-range, and long-range energy needs and various ways to meet them. Each option we choose also has its own time constant.

Conservation practices, for the most part, are short-range adjustments to accommodate our daily habits and preferences to the energy deficits of the season. They alone cannot help us very much in the longer term. True, we can design buildings for more efficient lighting, heating, and cooling; we can discourage automobile use by taxes on horsepower and weight, or by installing effective mass transit systems in our cities. Such longer-range conservation measures at best are slow to induce change. They may help to bring about a better public understanding of energy problems but they do not necessarily produce the desired solutions.

In the longer-range, our energy needs will be met less by reducing demand than by expanding supply. For we are an industrial nation. Fuel and energy are the economic lifeblood of the industrial system in the United States and, indeed, of the developed nations of the world. We are a nation on wheels—burning up almost 300 million gallons of gasoline a day. We are a nation of electrified farms and factories, offices, and homes. We are the world's greatest consumer of energy. We are committed to a policy of economic growth and international competition which requires an expanding energy base.

Today, oil is, in large part, the energy base of our industrial system. It accounts for 45 percent of all energy consumption in the United States, a figure expected to increase. More than 30 percent of our oil needs currently is supplied by other nations. The awkward and embarrassing fact, so widely publicized in recent months, is that the United States depends on Arab countries for a significant portion of its oil.

According to a White House statement of April 18, 1973, if present trends are allowed to continue, the United States would have to import from 50 to 60 percent of its oil supply by 1985. Of these imports, 30 to 40 percent probably would come from Eastern Hemisphere sources. Together with Iran, the Arab countries produce 42 percent of the world's oil output and hold two-thirds of the world's proved reserves, said to be 670 billion barrels.

Projections of oil imports for the next 5 or 10 years point to alarming consequences in the financial drain of billions of dollars, a threat to our fiscal integrity and trade balance, and the danger of dependence on unstable and even unfriendly governments for the essentials of our national well-being. The lesson is drawn that we must take steps now to decide upon a national policy—which means a national strategy—to harness the energy resources still plentiful in our own Nation.

Since gasoline shortages are a visible fact of life, and affect almost everyone, more attention is being paid to immediate necessities than to long-range strategies. The President cites approvingly, among other things, his voluntary oil allocation program to help farmers and independent refiners and marketers receive an equitable share of available supplies. Those who criticize voluntary allocation as ineffective score the President's recent energy statement for its failure to propose a mandatory program and for its general lack of a sense of urgency.[2]

Whatever we do in the short run to conserve energy and to redistribute available supplies, heavy investments in money, time, and technology will be necessary before energy resources are developed to the point of making significant contributions to productive and commercial use. As an example, even if more oil is pumped from domestic wells, or imported from abroad, it has to be refined to make the gasoline and other fuels needed for daily use. The President tells us that at least eight oil companies have decided to construct additional refining facilities. His estimate is that within the next 3 years, these projects will increase refinery capacity by more than 1.5 million barrels daily. This represents a 10-percent increase over existing capacity. Not an insignificant amount; yet it will take 3 years to achieve a 10-percent increase in refining capacity.

In a broader context, and considering all the potentials for energy development, the Government will have to contribute its share of investment and support, for national energy policy is a public and not a private matter. Economic self-interest, by itself, will not insure that the resources will be developed for optimum use or in conformance with the national policy which must be established.

[1] According to a White House fact sheet, the $100 million is in addition to the $25 million requested in the Department of Interior's FY 1974 budget.

[2] See, for example, Senator Humphrey's statement in the CONGRESSIONAL RECORD, June 29, 1973, p. 22330.

We are in this curious kind of situation. The United States is in the "twilight" of the fossil fuel age, and yet we have a vast potential in fossil fuels to develop and use. We have used energy resources as if their abundance will last forever. Now the day of reckoning is upon us. The reckoning becomes sharper as environmental considerations limit the use of available fuels.

It is generally recognized and accepted that better uses as well as new sources of fossil fuels must be explored. When we close down an oil field, more than half the oil is still in the ground. Then too, there is oil in vast quantities to be extracted from the shale deposits of our mountain States. There is coal enough for several centuries. Some of the problems are: How to recover that oil in the ground; how to make oil from shale cheap enough; and how to make coal-burning clean enough. These problems are not only technical but economic, environmental, and even political.

Even if fossil fuel sources are tapped for more energy production, they are not the whole answer to our energy needs—looking down the road. These are finite, depletable resources, and they are in demand for other uses than energy production. Petroleum and natural gas are an important source of raw materials for products of the petrochemical industries, where they are becoming increasingly more valuable to our economy as chemicals than as sources of heat energy. We should recognize and allow for these important trends toward such uses in assessing the energy potentials of fossil fuels.

Nuclear power—fission or fusion—has the greatest potential for meeting the Nation's future energy needs. At this stage of development and use, nuclear power is still in its infancy. Today, 4 percent of the electric generating capacity of the United States is by nuclear fission. By 1980, this percentage is expected to rise to 20 percent, and by the year 2000, to 50 to 60 percent.

How fortunate for this Nation that our Government was foresighted enough to recognize, more than a decade ago, the importance of nuclear power to supplement other sources of energy. As a member of the Joint Committee on Atomic Energy, I have been privileged to play a part in that effort and to help bring about the civilian power programs of the Atomic Energy Commission. These programs come closer to approximating a national plan than anything else in the energy field.

The impact of nuclear technology, present and potential, is thrown into sharp relief when we consider that in 1960 only three comparatively small central-station reactors for producing electric power were in operation. Today, we have 30 central-station nuclear plants producing electricity. Additionally, 60 are under construction and 75 more are on order. All these plants, when in operation, will have a capacity for producing 150,000 megawatts of electricity. The present generating capacity in the United States from hydro, fossil fuel, and nuclear fuel is about 350,000 megawatts.

Civilian power reactors now in use are known as light water reactors—LWR. There are two types: pressurized water and boiling water. They are proven reactors resting in large part on technology developed for Navy nuclear powerplants, of which more than 100 now drive submarines and surface ships. The Navy has accumulated 1,000 reactor years of safe operating experience. It is these proven reactors on which we must depend to expand nuclear power for civilian use in the years immediatley ahead.

Other reactor types are under development or construction. For example, a high-temperature, gas-cooled reactor is expected soon to be producing 330 megawatts of electricity in Colorado. This is a demonstration reactor. If successful, it will open the way to large-scale commercial plants which use the element thorium as a fuel.

Still more revolutionary in use of our nuclear fuel resources is the breeder reactor. Even now, under our national nuclear power program, we are preparing to build a 400-megawatt demonstration plant utilizing the liquid metal fast breeder reactor—LMFBR. It will provide practical, on-line working experience with an energy process that will increase the energy recoverable from our uranium ores at least thirty-fold. This offers a virtually limitless source of energy. Today's light water reactors use less than 2 percent of the potential energy in the uranium fuel they burn. The LMFBR, on the other hand, will be designed to utilize 60 percent or more of this potential energy and, moreover, to permit use of higher cost uranium ores without significant economic penalty to the consumer.

The LMFBR promises a large and effective expansion of energy supplies. Can the promise of the LMFBR be realized—and when? Like many other energy concepts, this concept has been proved in the laboratory and in numerous reactor experiments. Other nations also have been working on it and have experimental plants in operation; indeed, it is the primary long-range energy development effort of every advanced industrial nation of the world. After 10 years or more of intensive research and development, we are ready to move into a large-scale engineering and demonstration plant program. It will take 8, possibly 10 years to build that first plant and to test it in operation. And, before the economic use of the LMFBR can be established, one or possibly two more full-scale demonstrations reactors will have to be built. This, along with other engineering and safety work, must be done to provide a sound industrial base for supplying energy needs from this source.

If three demonstration plants are built in sequence, it will take 15 to 20 years before all of them are on-line. At the present pace of decisionmaking in Washington, we may well be in the 1990's and pushing the turn of the century before the LMFBR is fully proven for commercial operation.

I say the LMFBR development should be stepped up. Building of the first demonstration plant is ready to go, awaiting Government-industry agreement on the terms of a contract. Funding of preliminary design work for the second demonstration plant was added to the Atomic Energy Commission's current authorization bill by the Joint Committee on Atomic Energy and approved by the Congress this month.

The Joint Committee also recommended additional funds for reseach and development on the gas-cooled, fast breeder reactor and restored funds to the AEC budget to continue work on the molten salt breeder—work which otherwise would have been terminated this June 30. These are other promising approaches to nuclear breeding. The Joint Committee regards the investigation of these technologies as prudent and justifiable to advance breeder technology on a broad front.

We should try to compress the time scale of the LMFBR because we must develop the energy base for the future. We must must give heed not only to our own necessities but to those of our children and the generations to come. If there is one lesson to learn about energy shortages, it is that they cannot be solved in a day, or a year, or even a decade. Research and development efforts which give rise to new families of reactors, as well as broad technological advances in nonnuclear fields, are measured in decades if not generations. Concept and design take years to develop. Costly experimental and test facilities must be built and engineering and proof testing must be done with each of these concepts of design. Reliability, safety, economic operation, and public acceptability must be shown. And commercial powerplants take years to build, even after construction permits are granted.

ATTRIBUTES OF A SOUND ENERGY POLICY

I would now like to sum up, in general terms, what I consider to be essential attributes of a sound energy policy for the Nation. There is nothing particularly novel in the points to be made. They reflect the concerns of many in the Congress and elsewhere. They emphasize issues which will have to be considered by policymakers and planners in the energy field.

Sound policy in the energy field requires, first and foremost, that we project our energy needs on the basis of the best information we can get, and that we have a comprehensive national plan for meeting those needs. In the electrical energy component, for example, this plan will have to provide for systematic expansion of generating capacity. I have seen estimates, on the basis of projected needs, that by 1980—in less than 7 years—we will need more than double the electrical generating capacity we have today; and by the year 2000, we will need three times the capacity of 1980.

Sound policy requires that we mount and maintain research and development programs to harness energy from all promising sources, whether these be the heat of the Sun or the Earth, the ocean tides, the fusion of hydrogen atoms, or other potentials not yet explored. Funds for these research and development programs will have to be judiciously apportioned. First and foremost is the selection of the highest priority projects. Then, appropriate levels of effort have to be maintained, to insure continuity and balance. As breakthroughs occur or more

promising results are indicated in one direction rather than another, our research and development efforts should be so organized and conducted as to respond quickly to such developments.

Sound policy requires that Government and industry join together in cooperative endeavors and a reasonable apportionment of responsibilities and risks in developing new sources of energy. I use the term "industry" in a broad sense to include not only the electrical and other utilities, both publicly and privately owned, but equipment manufacturers and producers of raw materials which bear upon energy development. We know from experience that these joint efforts are necessary but often difficult to arrange. The LMFBR is a case in point. The Atomic Energy Commission and the electrical utilities have joined together in a cooperative arrangement, with two public service corporations to carry on this joint effort. However, there are many difficult problems about the sharing of investments, risks, and management controls.

Sound policy requires that we minimize our dependency in the long run on foreign supplies of fuel and energy. We live in an interdependent world; and, of course, we should see to maintain friendly and cooperative political and business relationships with other nations in the interest of continued production and equitable distribution of such fuel sources as oil, natural gas, and uranium. Nevertheless, a concerted national effort must be made to avoid excessive dependence on foreign sources, particularly in unstable areas, for the energy fuels to maintain our industrial and military strength.

Sound policy requires that, in pursuing systematic development and production efforts to acquire needed energy supplies, we avoid the furtherance of monopolistic controls, rigged markets, and price gouging of American consumers. Too much is at stake in this Nation's future to permit the energy crisis to be manipulated for profiteering and undue private advantage. Powerful forces in segments of the energy field are working toward monopoly control. It is the Government's responsibility to counter these trends—to expose them to the public eye, and to take whatever measures are necessary to regulate and control them in the interests of full competition, fair pricing, optimum production, wide distribution, and proper regard for public safety.

Sound policy requires a proper balance between environmental and economic needs. We cannot yield indiscriminately to the emotional demands of zealots for an immaculate environment, or to the calculating demands of hard-nosed entrepreneurs who, in search of profits, would foul the air and water with industrial waste. Competing sets of values, both necessary to the Nation's health and welfare, are at work. It will take statesmanship of the highest order to reconcile them. The answer cannot be procrastination and stalemate, but decisions that are sane and sensible for a nation that is dynamic, not static; growing, not declining; with energy needs doubling or tripling within relatively short spans of time.

Sound policy requires conservation measures to reduce consumption of energy. Such measures, as I indicated earlier, are worthwhile and necessary even though they cannot be the full answer to energy deficits down the road. Restraint and self-discipline are essential, not only for individual users of energy but for commercial and governmental, including military, users. Incentives and regulations, where appropriate, should be developed to promote conservation measures; and Federal assistance should be provided, as in promoting mass transit to reduce automobile travel.

Finally, sound energy policy requires a firm and competent organizational base in Government. President Nixon, in his recent message, proposes a far-reaching realinement of governmental functions and responsibilities for energy research and development, production, and policy coordination. I will now address the President's organization proposal, stating the rationale as I understand it, and giving my preliminary reactions. We, in the Congress, of course, will need time to study this proposal in detail. We will have to determine whether it is well-considered and deserving of acceptance. Undoubtedly there will be some modification. The Congress will want to be assured that this is a workable organization, one which will perform with realism and competence.

REALINEMENT OF GOVERNMENT ORGANIZATIONS

First, the President proposes a new Department of Energy and Natural Resources—DENR—which will include as one of five operating units an Energy and Minerals Administration. The other four Administrations in the Department would be: Land and Recreation Resources; Water Resources; Oceanic, Atmospheric, and Earth Sciences; and Indian and Territorial Affairs. Each of the Administrators heading these components would be appointed by the President by and with the advice and consent of the Senate. The new Department, based upon the existing Department of Interior, and encompassing additional resource-oriented functions transferred from other departments and agencies, would have an estimated budget of $5.385 billion and 91,150 full-time employees.

The DENR proposal restates, with some modifications and more emphasis on the energy aspect, President Nixon's proposal to create a Department of Natural Resources, first made in January 1971. Directing our attention to the energy component, the Administrator of Energy and Minerals in DENR would be responsible for assessing national energy and mineral needs and production capabilities, relating them to Federal policy, plans, and requirements, including research and development. He would encourage energy conservation and environmental safeguards. The Administrator would collect and analyze energy data and statistics and administer health and industrial safety programs in the energy field. Federal agencies for the marketing of electric power also would be within his area of responsibility.

Existing energy organizations and programs in the Department of the Interior would be transferred to the new Department. These include Office of Energy Conservation; Office of Energy Data and Analysis; Office of Oil and Gas; Office of Research and Development; Bureau of Mines—except Office of Coal Research and Energy research centers; Mining Enforcement and Safety Administration; and Bonneville, Southeastern, Southwestern, and Alaska Power Administrations. Additionally, the uranium and thorium assessment program would be transferred from the AEC, and the Office of Pipeline Safety from the Department of Transportation.

The second organizational move would be to create an independent Energy Research and Development Administration—ERDA. This Administration would be headed by an Administrator—and a Deputy Administrator—appointed by the President, by and with the advice and consent of the Senate. Based upon the AEC complex of laboratories, facilities, and contractor organizations, ERDA would be the key Government agency for research and development in all forms of energy. In the President's words:

> The new Administration would have central responsibility for the planning, management and conduct of the Government's energy research and development and for working with industry so that promising new technologies can be developed and put promptly to work. The new Administration would be organized to give significant new emphasis to fossil fuels and potential new forms of energy, while also assuring continued progress in developing nuclear power.

It is clear from this statement that ERDA will be a focal agency for research and development of energy in all forms, not just nuclear. This should allay the concerns of those who fear that nonnuclear research and development will be swallowed up in an atomic energy agency with a different name. It makes good sense, in my opinion, to build a new research and development agency for energy upon the broad technical base of the AEC's existing laboratories and facilities, its experienced industrial contractor organizations, its trained scientists, engineers, and technicians.

ERDA would acquire all of the functions, authorities, and resources of the Atomic Energy Commission with two exceptions: First, the uranium and thorium assessment program—transferred to DENR, and second, the Commission's licensing, regulatory and related environmental and safety functions. The functions transferred to ERDA from AEC would include nuclear materials production, reactor development, military applications, physical research, biomedical and environmental research, controlled thermonuclear research, nonnuclear energy research and development, and other nonregulatory functions.

Additionally, ERDA would acquire the Department of Interior's research and development functions in fossil fuels. Specifically, the Office of Coal Research and the energy research centers of the Bureau of Mines, and the synthane pilot plant for high BTU coal conversion, now under construction in Bruceton, Penn-

sylvania, would be transferred to ERDA. Research and development in underground power transmission, now in Interior, also would be transferred. Measured by 1973 budget and personnel estimates for the functions to be incorporated in the new agency, ERDA would have a budget of $2.322 billion and 6,750 full-time employees. According to the White House statement of June 29, the bulk of the $25 million requested in the 1974 budget of the Interior Department also would be transferred to ERDA.

The licensing, regulatory and related functions of the AEC would remain with the truncated five-member Commission, renamed the Nuclear Energy Commission—NEC. The resources directly associated with the AEC's licensing and regulatory functions are estimated at $40 million in net 1973 budget outlays and about 1,275 full-time permanent employees. The precise separation of functions as between ERDA and NEC is not specified in the draft legislation but is the subject of studies now under way.

Third, by Executive Order No. 11726 of June 29, 1973, the President has created an Energy Police Office—EPO—in the Executive Office of the President. This is not altogether a new action, since the President created a National Energy Office by Executive Order No. 11712 of April 18, 1973. At that time, it will be recalled, three assistants to the President, John D. Ehrlichman, Henry A. Kissinger, and George P. Shultz were designated a Special Committee on Energy. The Director of the National Energy Office was to recommend policies and guidelines for Government-sponsored energy programs under the supervision of the special committee. The President had appointed Charles J. DiBona as a special consultant on energy, to take charge of an energy staff in the President's office and apparently also to serve in the capacity of director.

The new Energy Policy Office absorbs the previous National Energy Office and replaces the Special Committee on Energy. The EPO is to be headed by a Director, who will serve also as Assistant to the President for Energy. According to the White House statement on the subject, the "Director will serve as the President's principal energy advisor and be responsible for identifying major problems, reviewing alternatives, making policy recommendations, assuring that agencies develop short and long-range plans, and for monitoring the implementation of approved energy policies."

The President announced on June 29, 1973, that he was appointing Governor Love, of Colorado, as the Director of EPO. Upon officially accepting this position, Governor Love will resign his State office. According to the President's statement, Mr. DiBona, special consultant on energy, will continue in his present advisory capacity, working within EPO.

The President also announced that he would order the establishment of a high-level Advisory Council to assist the EPO Director. I understand that the membership is to comprise representatives of coal, oil and gas industries, public utilities, automobile manufacturers, State governments, and environmental and scientific interests, although the composition of the Advisory Council has not yet been described in detail. Presumably Governor Love will determine the make-up of the advisory group.

Draft legislation to create the Department of Energy and Natural Resources and the Energy Research and Development Administration was submitted to the Congress by the President on June 29. Since the Energy Policy Office and its Advisory Council are created by Executive order, the President did not include them in the legislative package. I have introduced this bill, by request. Mr. HORTON, the ranking Republican member of our committee, is a cosponsor. The bill (H.R. 9090) has been referred to the Committee on Government Operations.

SOME PRELIMINARY OBSERVATIONS

My preliminary reaction to these organizational proposals is that they outline a promising pattern but, at the same time, pose many difficult problems which will have to be resolved in legislative hearings and amendatory provisions to the original bill. For leading with longer term energy problems, the most promising aspect, as I see it, is transforming the AEC into a broadbased Energy Research and Development Administration. I have been convinced for some time that this step should be taken, and have, on several occasions, conveyed my views to the Administration. An earlier preparatory step was the provision, already mentioned, in the 1971 AEC Authorization Act, which I supported and the Congress approved, permitting the AEC to undertake research in nonnuclear as well as nuclear energy. In other words, the Congress already has authorized the general use of AEC facilities and talents for all types of energy research and development. President Nixon's request that the AEC direct an evaluative survey of energy research and development needs is in line with this authorization.

The part of the administration's proposal relating to ERDA presents some difficult problems, both internal and external to the legislation. The bill proposes to separate the licensing and regulatory functions for retention by the truncated AEC—or NEC—with most other functions transferred to the ERDA. It is not always easy to identify regulatory functions, and there is no definition of such functions in the bill. Thus, it is not clear on its face what the bill requires in the sorting out and allocation of responsibilities between ERDA and NEC. Language in the Atomic Energy Act, assigning numerous responsibilities to the Commission, complicates the problem of dividing up the functions and insuring that essental ones will not fall between the cracks, or that the intent of Congress will not be nullified.

I can think of numerous examples to illustrate the point. Perhaps one or two will suffice. The law provides for a General Manager of the AEC, to be appointed by the Commission. What happens to this statutory office upon the transfer? It is not clear whether this office lapses altogether, or is transferred to ERDA, or remains in some capacity with NEC.

The law presently ties the Joint Committee on Atomic Energy rather closely to the AEC. The committee must be kept fully and currently informed of AEC activities, and it has statutory duties in authorizing programs, reviewing certain types of agreements, and so forth. In what ways is the committee affected by the proposed reorganization? Certainly, members of the committee and of the Congress will be quite interested to know. Will both ERDA and NEC be accountable to the Joint Committee, as the AEC was in the past?

Considering the broad energy research and development responsibilities of ERDA, how will the jurisdictional interests of other committees in the Congress be accommodated? Because H.R. 9090 is a reorganization bill, it was referred in the House to the Committee on Government Operations for consideration. If and when the bill is enacted into law, the committees having jurisdictional interest in energy affairs will be severally involved in the authorization, funding, and legislative oversight of the activities in the new organizations.

The diffusion of energy matters among numerous committees of the House and Senate has led to a proposal to establish a Joint Committee on Energy. It would make sense, in keeping with the proposed reorganizations on the executive side, to transform the Joint Committee on Atomic Energy into a Joint Committee on Energy. Conceivably the committee's representation could be broadened to include members of other committees having related responsibilities. An alternative to a joint committee, of course, is separate House and Senate committees on energy. Without at this time passing judgment on the alternatives, I would remind the Members that exacting responsibilities in monitoring nuclear development and production programs and projects, encompassing military as well as civilian applications, still must be met. The Joint Committee on Atomic Energy has the expertise in membership and staff and the cumulative experience of 25 years or more in dealing with such matters.

The heart of the new administration—ERDA—from the energy standpoint is research and development—exploring energy potentials and bringing them to the point of practical usage. At the same time, the new department—DENR—undoubtedly will have to conduct research and development programs in support of its energy functions centered in the Administration for Energy Resources. Assessing national needs, developing plans and policies, and promoting conservation measures, cannot be done without research and development. The department, with an energy component, and the independent agency apparently will have overlapping responsibilities. In practice, coordination between them will be essential but not easy to achieve. Presumably the President's advisor, in the capacity of Director of the EPO, will be charged with effecting the necessary coordination.

This policy and coordinating mechanism, for energy policies and programs, at the highest level of the executive branch, is bound to create some problems

on its own. On the one hand, the lack of a suitable mechanism for energy policy development and coordination has been the subject of much comment and criticism. On the other hand, strong policy direction from the EPO may be viewed as possible interference with the independence and initiative both of the Secretary of DENR and the Administrator of ERDA, if those organizations are created. Undoubtedly, there will be talk of an "energy czar."

Uneasiness about an energy czar seems to underlie the congressional preference for a Presidential advisory apparatus on energy affairs which has more than one member, and appointments to which should be confirmed by the Senate. A bill (S. 70) providing for a three-member Council on Energy Policy in the Executive Office of the President, the members to be appointed by the President by and with the advice and consent of the Senate, passed the Senate on May 10, 1973. Among the duties of this Council would be to develop and update a national energy plan embracing the development, utilization, and conservation of energy within the United States.

It is evident that the President and the Senate have a somewhat different approach to the high-level energy policy unit in the Executive Office of the President. In considering these matters, we may have to reconcile the different approaches and make additional decisions about the membership, authority, and duties of both the coordinating and advisory mechanisms, keeping in mind that the Senate action was taken before the President submitted his own organizational proposals to the Congress.

Mr. Speaker, I have discussed the prime policy considerations and outlined the pattern of reorganization proposed by the President to provide for the energy needs of our Nation. Our committee intends to hold hearings on H.R. 9090, incorporating the reorganizational proposals. Hearings have been scheduled for July 24, 25, and 26, 1973. These will serve to place on the record the administration's proposals for Federal energy organization and to examine the major problem areas. After the August recess, additional hearings will be scheduled, so that the committee can examine, with the necessary detail and particularity, all facets of the proposed legislation.

It should be pointed out that the bill is not confined to energy matters alone; it proposes a new department encompassing management of water resources; oil and gas pipeline safety; power marketing; Indian and territorial affairs; recreation, fisheries, and wildlife; raw materials—including uranium; weather and ocean concerns; reclamation and public lands; public works planning and funding for the Corps of Engineers; and numerous other matters. These bear upon the interests of many groups and organizations in our society and of many committees in the Congress.

To examine and perfect legislation of this nature is an exacting and difficult task. Our committee will endeavor to discharge its responsibilities, and in due time, report its recommendations to the Congress.

EVERETTE MacINTYRE: DEFENDER OF THE PUBLIC INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the retirement of the Honorable A. Everette MacIntyre—known affectionately to his friends as "Mac"—brings to mind that certain day in January 1961 when I asked President-elect John F. Kennedy to appoint Everette MacIntyre to the Federal Trade Commission. I said then that I was recommending Everette because he was "the best antitrust lawyer in the United States," and in the past 12 years, Mac has in every respect fulfilled my prediction that he would bring to the FTC the finest legal skills and scholarly learning to be found in the entire Nation regarding the many complex areas of trade regulation.

Commissioner MacIntyre is, in fact, one of the most astute men ever to enter Government service. There are few who can equal his energy, dedication, intellectual brilliance, and unassailable integrity. Over the 54 years that I have held public office, it has been my observation that our democracy requires the constant attention of people like Everette MacIntyre who, over and above all other considerations, are devoted to the public interest. It is this selfless dedication to the general well-being of the people that has made Everette MacIntyre one of the best Federal Trade Commissioners in history.

Everette went to the Federal Trade Commission at a time when our regulatory agencies were tragically moribund, due in large part to the real scarcity of men technically trained to handle those specialized and supercharged problems in which the rights of individuals so frequently collide with the public interest. In my mind, the appointment of Everette MacIntyre was the most constructive step that could be taken to remedy lax enforcement while insuring the proper balance of all the important elements of our free enterprise system—and I note that at the time of his appointment, Mac already had an unparalleled record of public service, marked by a penetrating understanding of the intricate issues involved in trade regulation, and a deep concern for the democratic processes of government.

He brought to the position of Commissioner his expert and comprehensive knowledge of the laws and regulations administered by the FTC, and a strong desire to see these laws work. Through his many years of diligent, meticulous, and painstaking attention to duty, Everette has demonstrated that trade can be successfully regulated to maintain both the efficiency and smooth functioning of our unique economy. He worked hard to preserve the vigorous and honest competition that is vital to the existence of the innumerable small and medium size businesses which are the foundation and the bulwark of our Republic and of our free enterprise system.

Everette MacIntyre exerted a tremendous influence on the work of the Federal Trade Commission and brought to that agency renewed recognition and respect. By expanding the role of FTC beyond its adjudicative functions into the areas of rulemaking and interpretative procedures, he did as much as any man of his time to safeguard the country against the dangerous economic concentrations which, if uncontrolled, could forecast the doom of democratic government as we know it in this country.

My personal knowledge of Mac's far-reaching abilities and talents goes back a long way. In 1935, as chief counsel to a special House committee, he produced a vast body of material which was later to be used in the formulation of the Robinson-Patman Act, frequently referred to as "Magna Carta of Small Business." Later, as staff director and general counsel of the House Select Committee on Small Business, he directed numerous studies into a wide range of problems affecting trade and commence—particularly with reference to their effect on competitive markets and small business firms. Through many effective and prodigious years, which comprised the formulative period for that committee, he became one of this country's great champions of small business. Much of the legislation that has kept the wheels of commerce and industry properly harnessed to the real needs of our society has been the work of Everette MacIntyre.

I have had a pleasure of knowing Mac for some 37 years now, and I am deeply honored and privileged by this long-continued professional association and our warm, personal friendship. Indeed, I have never known a more solid, dependable, responsible, and thoroughly admirable individual than Everette MacIntyre. He is a superb patriot who has devoted a lifetime in outstanding services to his country. Every American is, indeed, indebted to this fine gentleman for the benefits he has conferred upon the style and quality of life in America. Therefor, with great respect and deep-felt affection, I wish for him, for his charming and devoted wife, Reita, and for their son, Miles, who as a young attorney shows every promise of following in his father's footsteps, every possible happiness and success in the years that lie ahead.

THE SOCIAL SECURITY ACT

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, during consideration last year of the amendments to the Social Security Act, one new section was adopted which has since created a significant problem in the area of skilled nursing home services and intermediate care facilities.

Section 225 of Public Law 92–603 added a new section 1903(j) to the Social Security Act which placed a restrictive limit on the amount payable to any State with respect to expenditures for skilled nursing home services furnished in any calendar quarter beginning this January.

The limitation simply places a 5-percent ceiling on increases in nursing home

and intermediate care facility costs which will be allowed as expenditures under the State plan. Anything over this amount will not be reimbursed.

The act also makes provision for an increase in the percentage by authorizing the Secretary to make such an increase if the minimum wage is increased, if Federal law requires an upgrading of services resulting in an increase in cost, or if any Federal law causes an increase attributable to it.

This section of the law, Mr. Speaker, has created a situation that has become totally untenable. Several points must be made:

Section 225 places an arbitrary ceiling on cost increases and fails to allow States not paying the cost at the time of adoption the opportunity to catch up if the costs exceed the 5-percent limitation.

Section 249 of the same public law in which section 225 appears calls on the States to adopt a system of reimbursement related to cost for skilled nursing and intermediate care not later than July 1, 1976. Section 225 will simply not allow a true cost-related reimbursement system to become effective because of the 5-percent limitation.

Section 225 allows the Secretary to increase the percentage if the minimum wage is increased, but make no allowance for increases above the minimum wage, nor does it allow corresponding increases to other employees if those increases exceed 5 percent.

This section also makes no allowance for inflation and it adds an unnecessary control over an already highly controlled health care delivery system.

Mr. Speaker, I feel that there is no way this section can be corrected to provide an equitable solution to all of the States and have therefore, today introduced legislation to repeal it.

If this section is not repealed, the quality of patient care for thousands of ill and infirm Americans will be reduced irreparably. I call on all of my colleagues to support this bill in the interest of nationwide health care and, more particularly, in the interest of the many patients who may be denied nursing home and intermediate care if these facilities are forced to close their doors.

SENATOR BUCKLEY WARNS THAT STRATEGIC SUFFICIENCY IS NO LONGER ENOUGH

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, last Monday evening on the American Enterprise Institute's weekly "Rationale Debate Series" the able and distinguished junior Senator from New York, JAMES BUCKLEY, made noteworthy contribution to the ongoing dialog regarding United States-Soviet nuclear capacity and credibility. While we are increasingly, and commendably, moving from an era of confrontation toward an era of negotiation and benign mutual interest, we cannot afford to accept the logic that a fixed number of nuclear weapons are sufficient. The Soviets clearly have not done so. Rather, they continue to amass stockpiles of such sophistication as to pose a threat to our criteria for "sufficiency."

Posing a hypothetical United States-Soviet confrontation in which the present situation of U.S. nuclear sufficiency is no longer apparent, Senator BUCKLEY cogently details the advantages accruing to the Nation in possession of strategic superiority. He says—

> The Soviets, because of their overwhelming strategic strength, would achieve an important political victory without ever firing a nuclear missile.

Currently in the midst of SALT II talks, we must weigh the lessons of history. A nation's nuclear capability historically has been a reliable index of that nation's response to confrontation; that is, the Soviet's acquiescence in the Cuban missile crisis. But will the Soviets continue to acquiesce? While maintenance of our defense system is costly, negotiation or confrontation in a position of inferiority would be far more costly in terms of American security and American vital interests.

At this point, Mr. Speaker, I would like to commend to the attention of my colleagues the very important remarks of Senator BUCKLEY with which I wish to associate myself.

STRATEGIC SUFFICIENCY—FACT OR FICTION

Since the end of World War II, there have been few debates over matters of public policy as significant as the current one over the adequacy of our defense programs; and although expenditures for our strategic nuclear forces account for only ten per cent of our total budget for national defense, arguments over what ought to be their size and composition lie at the heart of the controversy.

Ever since the Soviet Union detonated its first nuclear device, the central thrust of our startegic planning has been to maintain a retaliatory capacity such as to render it unthinkable that any enemy would launch a nuclear attack on the United States or her allies. The doctrines which have been evolved to achieve this end have been variously labeled "massive retaliation" in the 1950's, "assured destruction" in the 1960's, and now "sufficiency" in the 1970's. Whatever their differences in degree, each of these doctrines is premised on our continuing ability, under any plausible set of circumstances, to launch a second strike nuclear attack capable of inflicting an unacceptable degree of damage on the enemy.

"Assured destruction" was once defined by former Secretary of Defense Robert McNamara as the capability to destroy between one-fourth and one-third of the Soviet population plus three-fourths of their industrial base. Our new doctrine of "sufficiency" is less apocalyptic in its concept of an adequate deterent, and it is to the extent more flexible, and infinitely more humane. But by the same token, because it deals in far narrower margins of destruction, it must allow for a far narrower margin of safety. It is over the line which separates "sufficiency" from "insufficiency" that the present controversy revolves.

In his defense posture statement for the fiscal year 1972, Secretary Laird described the four major criteria for "sufficiency" as follows:

"Maintaining an adequate second-strike capability to deter an all-out surprise attack on our strategic forces.

"Providing no incentive for the Soviet Union to strike the United States first in a crisis.

"Preventing the Soviet Union from gaining the ability to cause considerably greater urban/industrial destruction than the United States could inflict on the Soviets in a nuclear war.

"Defending against damage from small attacks or accidental launches."

To these four I would add a fifth, namely:

"Maintaining a strategic capability relative to that of the Soviet Union which is sufficient to sustain the continuing confidence of our allies in the American nuclear umbrella."

I suggest this fifth criterion because as of the present, our major security alliances, and our major efforts to prevent a proliferation of nuclear powers, have in the last analysis depended on the credibility of America's willingness to resort to nuclear warfare in order to repel an attack on our allies.

There is no question among professional observers that as of this moment, our strategic forces are adequate to meet the first three criteria cited by Secretary Laird; that is to say, adequate for the primary purpose of deterring a massive strategic attack on the United States. This is so because of our present qualitative superiority in the areas of ballistic missile guidance, electronics, and relevant aspects of computer technology.

Given the dramatic and sustained growth of the Soviet military forces since the mid-1960's, however, serious question has arisen in the minds of professionals and laymen alike as to how long our forces will continue to meet the major tests of "sufficiency". It is the pattern as well as the growth of the Soviet Union's strategic forces which causes these observers such great concern. For the pattern suggests that the strategic objectives of the Soviet Union go far beyond those required by a reciprocal policy of sufficiency or assured destruction.

While the conventional wisdom holds that any deployment of nuclear warheads beyond a certain number is simply superfluous, the excess representing merely an "overkill" capacity, the Soviets have nevertheless long since exceeded the numbers and payload capacities rquired by any policy of deterrence, and they continue to pour enormous resources in the further expansion of both their ICBM and their SLBM systems. Furthermore, while we have deliberately avoided either procuring a counter-force capacity or taking serious measures designed to protect our civilian populations, lest such purely defensive measures be deemed provocative, the Russians have quite clearly been working to develop an effective capacity to destroy our land-based offensive weapons while at the same time erecting an ABM system and implementing evacuation measures which have led at least one authority to estimate that today no more than five million Russians may be considered to be hostage to our deterrent capabilities.

Taken altogether, the evidence suggests that the strategic thinking of the Soviets is not shaped by our essentially defensive concept of deterrence, but rather by a determination to achieve a position of overwhelming power which will not only enable them to inflict far more damage on us than they would have to absorb in the event of a nuclear war, but which would at the same time vastly reinforce their own increasingly expansionist diplomatic initiative.

The Russians, in short, appear to understand what we are apt to forget because we find the prospect of nuclear warfare so abhorrent; and that is, that the mere possession of the instruments of terror represented by nuclear weapons has a profound influence on the course of events even though they are never unleashed. Churchill once observed that "Peace is the Child of Terror." So long as the balance of terror is not tipped against us, we maintain some control over the nature of that peace. Otherwise, the Soviets in the end will most assuredly dictate its terms.

I happen to believe that the world will never experience a nuclear holocaust. But experience already tells us that the possibility and consequences of a nuclear exchange, however, remote, will inevitably have to be

weighed in any major political confrontation between nuclear powers; and the outcome of these confrontations will inevitably turn to some degree on the opposing nations' perceptions as to the probable outcome of such an exchange. Thus the ultimate strategic reality may depend not so much on a technician's balancing of the relative capabilities of the opposing forces as on the calculation of the risks to be incurred and the advantages to be gained which is made at a given point in time by the then leaders of the United States and the Soviet Union.

At the time of the Cuban missile crisis, the Soviets had no choice but to back down because of their assessment of our determination and because they could not risk a nuclear confrontation in the face of our overwhelming superiority. However, if at some future date a similar crisis were to arise, and our then President were to conclude that the Soviets were determined to achieve their political objectives; and further, if he were to believe that on balance they would be willing to assume the risk of a nuclear exchange in which we would experience far greater losses than would the Soviets; or if he were convinced that they believed we would back down because of their relative superiority; then under such circumstances it is understandable that a President might well decide that prudence and consideration of common humanity required him to yield vitally important ground. Thus the Soviets, because of their overwhelming strategic strength, would achieve an important political victory without ever firing a nuclear missile. Should future circumstances dictate such a result, then it is clear that we would no longer possess a strategic sufficiency.

Let us now examine whether the facts justify the fear that unless we begin soon to invest significantly more in improving the defensive and offensive capabilities of our strategic forces, in another four or five years an American President might in fact find himself with no prudent choice but to back away from a confrontation in which critically important American interests are at stake.

In this context, it is important to understand the differences in character which exist between the U.S. and Soviet strategic forces. These differences have become especially important in light of the extraordinarily rapid growth of the Soviet Union's strategic capabilities.

In the areas of intercontinental and submarine launched ballistic missiles. What makes the Soviet effort particularly significant is the payload capacity that they have already achieved in their ballistic missile forces as compared with ours. The Soviets have concentrated their efforts on the deployment of ballistic missiles and have placed far less of a reliance on bombers than we have. Thus while our ICBMs and SLBMs have an aggregate payload capacity of 1,888 megatons, theirs have an existing aggregate capacity of 9,770 megatons, more than five times ours. What is more, while our ballistic missile systems have remained static since 1967, theirs are continuing to expand.

As of the present time, the Russians are unable to take full advantage of their very large payload capacity because they have not yet caught up with us in multiple warhead and guidance technology. The total payload capacity or "throw-weight" of their ballistic missiles remains, nonetheless, the best available measure of their potential capabilities. The reason for this is that for a given sophistication of warhead technology, the "throw weight" available to each side will set the upper limit on the number of warheads which each is able to deploy.

Thus if the Soviets were to achieve the same degrees of sophistication as we now enjoy on a production line basis for our Minuteman III and Poseidon missiles, then they could translate that superiority into a more than fivefold advantage in deliverable warheads; and given the enormous investment which the Soviets are currenly making in military research and development—approximately $3 mililon per year more than we are at the present time—it would be imprudent to assume that they will not soon catch up with us in warhead and guidance sophistication.

With these facts in mind, let us now consider a hypothetical political crisis in 1976 between the United States and the Soviet Union involving a Soviet insistance on the neutralization of Western Germany. In determining his options, the President would have to assess what might be the plausible results of a "First strike" attack of our strategic forces.

For purposes of this scenario, let us assume that the Soviet payload capacity has been frozen at its present level, that the United States has made no qualitative improvements in its strategic forces other than those which are now programmed, and that the Soviets have achieved plausible improvements in their military technology. This would mean that by the time of the hypothetical crisis, none of our new strategic systems, such as the ULMS ballistic missile launching submarines, the B–1 bomber and the Safeguard ABM system, would be operational while the Soviets would have achieved the ability, among other things, to arm each of their 300 existing SS–9 ICBM's with six independently targetable re-entry vehicles of two megatons each with sufficient accuracy to destroy a hardened military target such as a Minuteman missile silo.

Under these circumstances, the Soviets would have a capacity with their SS–9's alone to launch 1800 warheads in a disarming counterforce first strike against key U.S. strategic targets. Such an attack, if properly timed and coordinated, would be capable of destroying one-third of our Polaris submarines in port, the majority of our heavy bombers, and perhaps 90 percent of our Minutemen. This estimate, incidentally, coincides with one recently made by the editors of the authoritative British defense review, *Jane's Fighting Ships*. Assuming such an attack, the Soviets would have remaining sufficient strategic forces in being to threaten our surviving strategic forces and to devastate our cities. This remaining capacity would include over 1,000 ICBM's, 500 SLBM's, and their entire force of bombers. We would still have the suicidal capacity to destroy five million Russians, being one-fourth the number killed by Stalin during the great purges, and perhaps as much as seventy-five per cent of their industrial bases.

But in deciding whether or not to order a retaliatory strike, the President would know that every one of our own urban and industrial centers would be open to devastation. Faced with these possible consequences, faced with the possible annihilation of tens of millions of Americans, it is understandable that an American President might hesitate to go to the Brink. And if, in our hypothetical crisis, the West Germans were to have any doubts as to our willingness to hold the line, they in turn might seek an accommodation with the Soviet Union rather than risk a direct attack. And such an accommodation, of course, would spell the end of the NATO alliance.

If this scenario for a 1976 crisis is plausible, and I fear that it is, then we are facing an imminent insufficiency in our strategic capabilities. They would be insufficient because the first strike capacity of the Soviets to decimate our strategic forces without directly attacking our population or industrial bases would have the effect of shifting the factor of deterrence so as to preclude an assured retaliatory strike by the United States. This is the strategic situation which we may well be facing by the mid–1970's unless we either succeed in negotiating meaningful and enforceable limitations on our respective strategic forces, or unless we begin now to work for those qualitative and quantitative improvements in offensive and defensive strategic capabilities which will be required to maintain not only the credibility of our deterrent forces, but the credibility of our willingness to utilize them in the event the deterrence fails.

CONTINUING CLOSE RELATIONS WITH REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. LOTT) is recognized for 5 minutes.

Mr. LOTT. Mr. Speaker, on Tuesday, 10 other Members and I introduced House Concurrent Resolution 263 providing for continuing close relations with the Republic of China. Today, with 20 other Members of this House, I am introducing an identically worded resolution. This brings to 31 the number of Members cosponsoring this resolution. I trust that the Committee on Foreign Affairs will quickly consider this resolution.

The problem of China is, I realize, a thorny one. The dispute between the People's Republic of China and the Republic of China is a deep one which cannot be easily resolved. Some believe it to be in our interest to seek better relations with the People's Republic of China. The People's Republic of China, acting in what it perceives as its own interests, has sought to undermine the position of the Republic of China in world affairs, and has succeeded in doing this to an alarming extent. We are all aware of the unceremonious expulsion of the Republic of China, a founding member, from the United Nations and the string of ruptures in diplomatic relations between the Republic of China and a number of countries of the Free World which have followed. The situation of the Republic of China has, as a consequence, become very difficult.

The Chinese, however, are not easily discouraged. Far from collapsing, the Republic of China has coped very well with the highly adverse international situation. The Ambassador of the Republic of China to the United States, the Honorable James C. H. Shen, emphasized this in a recent interview in the press, when he said, among other things:

> As a people, we Chinese are quite hardened and used to adversity, and we also know that what really determines their own future is they themselves, and no one else. . . . There was, of course, considerable apprehension a year ago, especially following our expulsion from the United Nations. People were afraid that the inflow of foreign capital investment might cease or be greatly curtailed, and that this might lead to economic difficulties on Taiwan. But fortunately, this has not happened. . . . Last year, as a matter of fact, we did far better than the previous years in foreign trade.

Thus, Mr. Speaker, as we can see from both the reports in our own press and the comments from Ambassador Shen, the Republic of China has managed to overcome adversity and maintain its resolve to continue a free nation in the community of free nations. In the dark days after the end of World War II and especially in 1949, when the Communist

movement took over the mainland, the free Chinese had much greater difficulties than these to surmount, and they successfully surmounted them. We need have no great fear about their ability to take care of themselves. They have been tested by fire.

More relevant to this House at the moment is the question of the American position with respect to the Republic of China. What will be said of us by history if we abandon a country which has cast its lot unreservedly with us for more than 20 years? What will be said of us if we let down a country which, although not always perfect, believes in the same ideals of a free democratic system and a free economy as we do? What will be said of us if we cast adrift a country which has done nothing at all to deserve such treatment, but rather has always been one of our stanchest allies? The smaller nations of this world often take the cynical view that the great powers are always more than ready to sacrifice the interests of those smaller nations in the interests of some overriding purpose which the great powers are pursuing. The nations of Eastern Europe certainly had considerable reason to come to this conclusion after the Second World War. Let us insure that the Republic of China is not added to the list of small nations with justification for feeling they have been jettisoned by a great power, the United States, in the pursuit of some overriding interest. For if that overriding interest requires the betrayal of faithful allies, then the means to the presumably desirable end are corrupt, and bring the end itself into serious question.

Mr. Speaker, history will indeed judge us harshly if we callously desert our faithful ally and friend, the Republic of China. If we treat our friends as disposable, we shall soon find that we have none left when we need them—and at that point, we who abandoned others, will ourselves be abandoned. That would only be poetic justice. So what we in the Congress propose to do is to uphold the principle that the United States must stand by those who stand by us, must support those nations both large and small which espouse the same ideals to which we adhere. Thus, it is that our resolution calls on our Government to "do nothing to compromise the freedom of our friend and ally the Republic of China and its people." Such a stand is a minimal repayment indeed on the debt of friendship we owe the Republic of China.

I urge those of my colleagues who have not yet cosponsored this resolution to do so.

The text of the resolution and the names of the other 20 Members introducing it are as follows:

H. CON. RES. 263

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States Government, while engaged in a lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally, the Republic of China and its people.

LIST OF COSPONSORS

Mr. Lott (for himself, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Archer, Mr. Ashbrook, Mr. Chappell, Mr. Cohen, Mr. Conlan, Mr. Crane, Mr. Davis of Georgia, Mr. Dorn, Mr. Hansen of Idaho, Mr. Ichord, Mr. Montgomery, Mr. Murphy of New York, Mr. Myers, Mr. Roberts, Mr. Charles H. Wilson of Califonia, Mr. Bob Wilson, Mr. Won Pat, and Mr. Young of Illinois) submitted House Concurrent Resolution 263.

POSTAL SERVICE NEEDS ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 5 minutes.

Mr. FORSYTHE. Mr. Speaker, on July 1, 1971, one of the oldest departments of the Federal Government became an independent agency with authority to provide mail service to all Americans. When the legislation transforming the Post Office Department into the Postal Service was being debated, the halls of Congress rang with eloquent statements regarding the rapid improvement in service which could be expected. As is all too often the case hopes and expectations were high, but results were few.

Left to its own devices, the Postal Service, with breathtaking speed, promptly slowed down. Bags of mail destined for Philadelphia and its suburbs were sent to Boston, letters dropped into a mailbox in one city marked to an address in the same city arrived 5 days later, and even worse letters began to be lost in the labyrinth that had become the Postal Service with alarming frequency.

My office was inundated with hundreds of complaints about poor postal service. The letters I received all had the same general theme; mail that once upon a time was delivered in 1 or 2 days was now taking 5, 6, 7, or 8 days. A classic example of poor service is demonstrated by a letter addressed to me. Postmarked in Philadelphia on November 9, 1972, this letter was not received in my Moorestown, N.J. office—about 10 miles away—until January 8, 1973. I received a most unusual explanation from a congressional liaison officer of the Postal Service when I asked him about this. He said the letter was probably stuck in the bottom of a mail bag, which may not have been shaken vigorously enough. This frequently happens, he said.

Mr. Speaker, let there be no mistake about it, poor mail service is not only an inconvenience, it can also result in severe hardship when car payments do not arrive in time to escape late charges, when pension checks arrive more than a week late, or when mortgage checks do not arrive at all.

Notwithstanding the decreased quality of the product, postal rates began to behave like other prices—they went up. And now, we are told that the Postal Service is contemplating another 2 cents increase in first class postal rates. Now I am the first to recognize that in the last few months we have seen some improvement in mail service. A recent survey I conducted in my district tends to confirm this. However, it must be recognized that the improvement is not from the previous higher levels but from the depths to which service had plummeted. It is my sincere hope that service will continue to improve. But until there is significant improvement, I have difficulty justifying higher prices for a lesser product.

The dues paying public would, I think be willing to accept a rate increase if the Postal Service met the standards enumerated in legislation I have cosponsored with Congressman HILLIS. Our bill would require the Postal Service to meet the following standards:

Next-day delivery of mail within a city.

Three-day delivery for mail anywhere in the country.

Letter carrier service on a 6-day per week basis.

Post office window service 6 days per week.

Second attempts on delivery of parcel post.

Multiple daily delivery and collection service.

Today we have before us another bill of which I am a cosponsor. That bill will go a long way toward increasing the quality of mail service. In fact, it may be that the threat of congressional oversight of the Postal Service, which is provided for in the bill, has already spurred the Postal Service to action and has to some degree been responsible for the recent improvement we have seen.

Currently the Postal Service is responsible to no one in the executive or in the Congress. I believe that this total autonomy, this absence of accountability to the public breeds an unhealthy atmosphere. Under the present system, the Postal Service automatically receives an annual Federal subsidy payment without having to account for how efficiently and effectively those funds are spent. The bill before us today remedies this situation by requiring that before any Federal payment is granted congressional oversight hearings must be held and the Congress must specifically approve the expenditure of these funds.

Mr. Speaker, the purpose of any public institution such as the Postal Service, is inherent in its name, to serve the public. It is my firm conviction that the Postal Service should be accountable to the public, or in this case, to its elected representatives.

A BILL TO INSURE PURE AND SAFE BLOOD FOR EVERY AMERICAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, earlier this year I introduced H.R. 264, the National Blood Bank Act of 1973, and today I am introducing a new version of that legislation which complements the national blood policy being developed by the Department of Health, Education, and Welfare.

I welcome the proposals announced by the Secretary of Health, Education, and Welfare on July 10 in which the private sector will be encouraged to implement within 4 months a new national blood policy to improve the quality and efficiency of blood services throughout the United States or face stronger action by the Federal Government.

The Bureau of Biologics of the Food

and Drug Administration will soon require that new and more accurate tests be employed by the big interstate blood banks for detection of the serum hepatitis antigen, and my bill extends this authority to regulate intrastate blood banks, as well, which collect 35 percent of the Nation's blood supply. The FDA will also issue minimum processing standards for the intrastate banks and has also started a program of on-the-spot investigation every 2 years of 6,000 small intrastate banks.

My bill would create a National Blood Bank program which would provide the centralization necessary for the collection of hard data on the Nation's blood bank system, not available now, which would provide information as to any further ways in which this unique human resource could be made more available for the benefit of the entire population.

Over 8.8 million pints of blood are collected, processed, and distributed annually in this country to be used in lifesaving transfusions and in the preparation of many therapeutic products. In order to insure the availability of the therapeutic benefits of blood to the patients who need them, healthy blood must be available in sufficient quantities and distributed by efficient systems.

The successful transfusion of blood from the vessels of one human being to those of another has been achieved through development of improved techniques. Problems arising from incompatibility have virtually been eliminated by the recognition of blood groups and development of sophisticated crossmatching techniques. Improved methods of freezing and storage allow for retention of collected supplies. Also, techniques for separation of blood have been developed and thus allow for component therapy.

However, the fact remains, that the therapeutic benefits derived from blood fall short of their potential to save lives. In fact, improper screening and use of contaminated human blood all too often result in the transmission of serum hepatitis, a serious and often fatal disease to the blood recipient.

Blood for therapy is a unique commodity which is obtainable only from human donors. In order to meet the problems of critical blood shortages, several hundred independent profit and nonprofit blood banks have emerged throughout the country since the early 1940's. While most of these banks have performed valuable services, some are relaxed in their effort to screen donors and thereby, collect contaminated blood.

This is particularly true of profit-making banks which purchase blood from donors such as alcoholics, drug addicts, and prisoners who rely upon the sale of their blood as an income to support their habits or as a means of obtaining early parole. Many of these people carry the hepatitis virus undetected. Studies have shown that their blood is at least 100 times more likely to transmit hepatitis than is that of the volunteer who gives his blood for the good of the community.

As a result, this provides an increased risk to the recipients of this commercial blood who may develop debilitating or even fatal cases of posttransfusion hepatitis. As reported by the National Academy of Sciences over 17,000 cases of clinically identifiable posttransfusion hepatitis occur annually in addition to an estimated 100,000 cases which go unreported. Between 850 and 1,000 of these cases prove fatal. In terms of dollar cost alone, the problem of overt posttransfusion hepatitis now costs the Nation approximately $86 million per year.

This estimate does not, however, include costs in terms of human suffering which cannot be measured. Transition to an all-voluntary system should produce savings of at least $18 million annually in reduced illness and death from posttransfusion hepatitis alone.

The problem is not insoluble and can be greatly reduced by the elimination of these commercial banks. Progress toward this goal has been hindered primarily by lack of centralized and national regulation of the blood banking system. Methods of blood collection, processing, and transfusion vary greatly from one part of the country to another. Inspection and supervision of the Nation's blood banks have allowed questionable practices to continue.

State control of blood banking is limited. In fact, 17 States have no laws whatsoever on blood banking. I am pleased to report that my own State of Illinois recently required that all hospital blood banks be licensed and that blood be labeled, indicating whether it was purchased or voluntarily given. Under the new Illinois law, "commercial" blood banks may buy and sell blood under regulations other than those of the American Association of Blood Banks. Since last October when the Illinois law went into effect, the use of paid blood has decreased to 10 percent of the total, from highs of as much as 50 to 60 percent, and Illinois still has more than enough available blood.

HEW is not yet certain whether it has the authority to compel labeling and my bill would provide the legislative action needed. This bill would work toward correcting the problems now hindering the delivery of the lifesaving benefits of blood therapy.

In addition, my bill would encourage participation in the voluntary blood program and, thereby, help in insuring a supply of lifegiving blood. My amendments specifically encourage allocation of space in Federal buildings to blood bank personnel for purposes of collecting blood and encourage both public and private employers to permit their employees to participate in voluntary blood programs through granting administrative leave to donors.

The purpose of my bill is to insure an adequate supply of pure, safe, and uncontaminated blood for the population of the United States through encouraging voluntary donation and insuring screening and testing of the blood as well as establishing a national registry of blood donors.

In addition, this act would provide Federal oversight of all blood banks through requiring licensing and inspection in order to maintain high standards. In order to insure an adequate supply of pure, uncontaminated blood throughout the Nation, the bill calls for the development of a program to educate the public on the need to voluntarily donate blood. It also requires the clear labeling of the source of each unit of blood as voluntary or commercial.

In order to help avoid collection of contaminated blood, all blood banks would be required to use the latest screening techniques for detection of the serum hepatitis antigen. Presently available tests are only 50 percent effective, but even so, the application of their use with every pint of blood collected could reduce the incidence of posttransfusion hepatitis by one-half. In addition, a registry of all people who have been disqualified as blood donors due to implication in the transmission of hepatitis or for some other reason, will be compiled and circulated to all blood banks.

The second major result of this bill would be the establishment of a national blood bank program in the Office of the Secretary of HEW. This organization would be responsible for the licensing and inspection of all blood banks to insure adherence to high standards in blood collection for the benefit of the entire population.

In addition, until enough volunteers could be recruited to meet the Nation's need for blood, the director of the national blood bank program could authorize limited programs of paid donors for each blood bank.

Mr. Speaker, the proposal which is now before the Congress will do much to insure an adequate supply of pure and safe blood. I urge its early consideration.

URGENT NEED FOR HELP TO DROUGHT-STRICKEN WEST AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, there is a crisis situation in West Africa, which is now suffering from perhaps the worst natural disaster on the continent this century. After 5 years of drought, the environment is being devastated by the encroaching desert; the livestock on which the whole economy is based are dead or dying, and unknown numbers of people have already died from starvation or diseases which result from malnutrition. About 25 million people live in the major drought-stricken area, which covers six of the poorest and perhaps the least known countries of the world—Chad, Mali, Mauritania, Niger, Senegal and Upper Volta. Together they cover an area the size of the continental United States, in an arid zone south of the Sahara Desert.

I have met with the diplomatic representatives of the six countries concerned, and with officials of the State Department and the Agency for International Development, in an attempt to collect the available information on the disaster and what is being done to meet it. At a press conference on June 27 representatives of the countries concerned described the efforts they were making to relieve the famine, and appealed for

American assistance. I submitted certain recommendations for action by the U.S. Government following the announcement by the President in a letter to the United Nations Secretary-General of a special coordinator for the U.S. program, and for further resources to be committed as needs are identified.

I ask unanimous consent that my recommendations, the letter from the President, and a background on the drought disaster be inserted in the RECORD at this point:

RECOMMENDATIONS

Now that President Nixon has responded favorably to my request to appoint a Special Coordinator for Drought Assistance, this government should move swiftly to counter the immediate, the medium and long range implications of this Sahelian disaster.

1. Make sufficient funds, transportation equipment and food available to meet the short run emergency of preventing famine. Specifically, I recommend that the U.S. reserve at least 300,000 tons of grains for the Sahelian drought emergency and that a *minimum* of an additional $30 million be made available for non-food aid.

2. Since we understand that only 30%–40% of the other food committed by the U.S. has actually arrived, more effective means must be found to assure that enough food is distributed to all areas affected. Priority should be given in U.S. ports to to ships carrying goods for the drought relief effort. Additional ships, planes and trucks should be made available as needed.

3. To counter the medium and long range impact of this disaster, I call upon the U.S. to take the initiative in launching a major multinational program that will provide massive assistance over the next ten years to this area. This program should be of the magnitude of the Indus River Basin Project over $1 billion committed since 1962, Colombo Plan or the Mekong River Delta Project. Even President Diori called upon Europe last week to provide a Marshall Plan for the African Sahel. The objective of this program would be to:

a. Stop the desertification of the area.

b. Either through irrigation or other means transform the area into fertile grazing pastures and agricultural land.

c. Rebuild the herds and improve the genetic strain of the livestock of the region.

d. Provide seed grains for planting in the subsequent months.

There should be a groundswell of mass popular concern about this disaster in the United States. While it is important that private fund raising appeals continue, only the government has the capacity to provide the magnitude of assistance required to meet this crisis.

In this period of detente, our resources must be diverted from continuing the arms race to winning the battle against world hunger, poverty and disease. It is this issue of the disparity between the rich and poor nations and not the East-West ideological differences that will pose a threat to international peace and security in the future.

The U.S. committed $27.8 million to the Nicaragua disaster, $50 million to the Philippines and $318 million to counter famine and other natural disasters in Bangladesh. No less can be done to assist the 26 million people of Africa.

THE WHITE HOUSE,
Washington, D.C., June 20, 1973.

His Excellency Dr. KURT WALDHEIM
Secretary General of the United Nations, United Nations, New York.

DEAR MR. SECRETARY GENERAL: I fully share the concerns which you have expressed to Ambassador Scali for the millions of persons who are suffering from the terrible drought in the Sahelian nations of West and Central Africa. For many months reports from United States and United Nations representatives and from the governments themselves have related graphically the growing effects of the worst drought of this century in the African Sahel. Those of us who have been spared this scourge have been responding to the crisis, but more must be done, as you have said. The United States stands prepared to commit further resources as needs are identified.

As you know, the United States response has been carried out on several fronts. We have increased the amounts of foodgrains destined for these nations through both American programs and the World Food Programs. By mid-summer, 156,000 tons of grain valued at nearly $19 million will have arrived in West African ports or in the interior states of Mali, Upper Volta, Niger and Chad. Two million dollars in disaster relief funds have also been made available. United States Air Force aircraft, and those of other donors, are airlifting grain to stricken nomads and farmers in remote districts of Mali and Chad. Animal feed and vaccines are being distributed to save as much livestock as possible. Medicines are being provided to combat malnutrition and potential epidemics. In response to a request from Director General Boerma, the Agency for International Development has provided a logistical planning expert to the Food and Agriculture Organization of the United Nations and our staffs in West Africa are being augmented to improve our ability to deliver what is needed to the right place at the right time.

We share your concern that the problems of dealing with the immediate emergency will become even more difficult as the rains begin and road transport problems increase. We therefore stand ready to provide further support for internal transport, as specified needs are identified.

As you have recognized, this region is faced not only with the immediate needs of feeding the hungry but also of rehabilitating water and forage resources, livestock herds and grain producing facilities to permit a long range recovery from the devastating effects of the drought. This effort will require close collaboration among African leaders and the donor community. As specific rehabilitation needs are more clearly identified, and as it becomes clearer what others are ready to do, the United States will be prepared to provide additional assistance for the Sahel to help overcome the profound effects of this tragedy.

In order to coordinate more effectively our emergency relief efforts and to plan our part in a rehabilitation program, I intend to designate Mr. Maurice J. Williams as a Special United States Coordinator. He will cooperate closely in his work with Director General Boerma and with other governments—so that the work of relief and rehabilitation can go forward as expeditiously as possible.

Sincerely,

RICHARD NIXON.

THE AFRICAN DROUGHT EMERGENCY

THE EXTENT OF THE DISASTER

The Secretary-General of the U.N. Food and Agriculture Organization (FAO) has described the drought as "every bit as serious as the famine situation in Bangladesh last year."

This period of drought has already lasted for five years, and shows no sign of ending. The problem is only now beginning to be realized, however, far too late to save the herds of sheep and cattle on which the nomads of the affected region depend for their livelihood. It was only when starving and destitute nomads began entering the towns and cities that the extent of the problem was realized. There are about 24 million people in the area which has been hardest hit, which extends over six countries in the arid belt south of the Sahara desert, Mauritania, Senegal, Mali, Upper Volta, Niger and Chad. Many neighboring countries are also partially affected by the drought, including the northern provinces of Nigeria, Togo, Dahomey, Ghana, the Ivory Coast, the Sudan and Ethiopia. Even in traditionally fertile areas, on the coast and beside the rivers, there is no surplus available to meet the overwhelming demand from the semi-desert and scrub areas.

The six countries most affected are already desperately poor, and are among those classified internationally as the least developed. This means that annual income per head is equivalent to less than $100, and literacy rates are under 20%. The drought therefore comes to a situation with no reserves and no spare capacity, and has already resulted, according to an FAO survey, in the death of between 40% and 80% of all livestock.

Altogether, about 4 million head of cattle are in danger of dying, representing a lost investment of over half a billion dollars—a major proportion of the people's assets. Sheep and other animals are also dying in large numbers, and the sight of whole flocks dying, and crops failing to grow after repeated plantings, is driving some nomads to suicide, a phenomenon previously unknown in this society.

Nomads and their surviving animals are streaming southwards in search of pasture and water, placing an intolerable strain on existing reserves and water-holes, and leading to conflicts with more settled farmers desperate to conserve their own small assets: the nomads have even ventured into areas where they know fatal cattle diseases are endemic. Many are trying to sell their animals before they die, but there are inadequate slaughter-houses and worse storage and transportation facilities, and prices for animal products have fallen to almost nothing as a result. So the nomads are unable to retrieve even a remnant of the investment represented by their dying cattle, in order to buy grain for themselves and their remaining animals until the next harvest, after the rains which are expected very soon.

Ironically, it is the impending rainy season which poses the biggest threat of starvation for the millions of people involved. The rains make surface transportation impossible in the vast inland areas, where the destitute people are, and the relief supplies now being sent to Africa are still largely bottled up in the ports and such road and rail networks as there are. Very long routes and few port facilities are involved; the huge stocks building up are also an open invitation to black-marketeers and speculators, who have pushed the price of grain up to levels impossible for most of the people to pay. With feed grains in particularly short supply, delays are proving increasingly expensive as animals are lost, and the breeding stock considerably damaged. In the race to get grain into the drought areas before the rains come, U.N. Secretary-Genral Waldheim told the Economic and Social Council a week ago that the next four weeks would be crucial for the people of the six countries most concerned.

A CUMULATIVE PROCESS OF UNDEVELOPMENT

The catastrophic loss of the animal stock that provided a major part of the countries' production, and the failure of many crops, will obviously tend to reduce the Gross National Product of the countries involved. The loss of agricultural surpluses for export will reduce the reserves of foreign exchange needed to pay for essential imports of equipment and consumer goods, including food staples. Embryonic industrialization will receive a major setback in addition to the difficulties which they already face (including high import tariffs among rich countries), and the damage may in some cases be irreparable, so that the aid loans provided by these rich countries will have to be repaid

without the development projects producing anything with which repayments can be made. Scarce assets would, if there is no rescheduling, have to be diverted away from new development projects to replace those damaged or delayed by the drought.

The impact of this disaster can be illustrated by the case of Senegal, which in fact has suffered less than other countries. Its exports are largely based on a monoculture of peanuts, which were introduced quite recently, and whose rapid spread has been hailed as a major development success. In 1972, 800,000 tons were produced, which in 1973 is expected to drop to one-third or even one-quarter of that. This is very serious for the food situation, since peanuts normally pay for massive imports of the staple food, rice—60% of which is normally imported. This year, the need will be even greater since the local food crops have dropped to a maximum of half last year's level. In addition, the lack of water in the rivers has resulted in a loss of essential power for industry from the hydro-electric sources. The fishing industry has been badly hit, and the encroachment of salt into the coastal waters has caused great destruction.

For the pastoral and agricultural sectors that together comprise well over four-fifths of the Gross National Product, the cumulative ravages of the drought and process of desertification are to a large extent irreversible, or could be repaired only at enormous expense. The failure to observe the deterioration of the whole environment, which has been accelerating for a number of years, must be one of the worst mistakes of the "development" experts. The semi-desert environment is very fragile, and over-grazing together with abnormal dryness damages the ground cover, which is then unable to recover before renewed migrations return; the animals then remove whatever is left (especially goats, which can survive longer than most animals by eating the roots of plants). With no ground cover, surface water disappears and the Sahara desert encroaches steadily on the scrub, forcing the nomads in increasing concentrations onto whatever pasturage is left. Over-grazing is exacerbated by agricultural programs which focus on the introduction of only one technological aspect of an environmental management program: for example, vaccination of cattle against disease has been practiced by some international agencies, with the result that more animals were surviving to compete for scarce grazing.

LOCAL EFFORTS TO MEET THE EMERGENCY

The disaster prompted many of the African Governments concerned to pool their resources and planning efforts, a move that contrasts with the fragmentation of authority that is a major problem in post-colonial Africa, divided up arbitrarily by the European imperial powers. In March, Ministers of the six worst-hit countries met and agreed to coordinate their emergency programs; further meetings have followed. Neighboring Dahomey and Nigeria, although themselves afflicted by drought, opened their frontiers to pastoralists from the North, and took steps to enable animal products to be transported to markets in the interior of their countries. The Ivory Coast donated 150 tons of rice to Upper Volta, and 150 tons of mixed cereals to Niger. Special arrangements have been made by countries with ports to give priority to relief supplies for others. The Algerian Government has sent 48 trucks across the Sahara Desert wtih food and medicines via the new "unity road" (one of the new routes being constructed or proposed to link up the African continent for the first time, replacing the colonial routes which were designed for easy access and departure from the continent). Saudi Arabia has given $1 million to Niger.

National solidarity campaigns have been launched in a number of the affected countries, for example, in Senegal each wage-earner (a tiny minority in a subsistence-based economy) is required by law to contribute one day's pay, in Niger, the President and members of Parliament gave up 20% of their pay, the Nigerian Government has channelled large relief funds to the Northern provinces, which are normally the food-producing areas and are now stricken by the drought. Local efforts, however, are based on almost non-existent resources, and the extent of the threatened starvation calls for massive relief from rich countries.

DANIELS RAPS PATH FARE INCREASE. HAILS COUNCILMAN MORRIS PESIN FOR LEADERSHIP; NEW JERSEY CONGRESSMAN SAYS IT IS A NATIONAL MASS TRANSIT ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, on July 3, 1973, the city council of Jersey City, N.J., unanimously passes a resolution adopted by Councilman Morris Pesin opposing a fare increase of 66.67 percent for riders of the Port Authority Trans-Hudson—PATH—system. Despite the urging of the administration to hold the line on price increases, PATH officials have decided to raise the fare for commuters from the present 30 cents to 50 cents creating a harsh burden on the poor and the elderly.

I cannot understand why the New York-New Jersey Port Authority has failed to consider increasing the rates on the system's highly profitable network of bridges, tunnels, ports, and trade centers. I am staggered by this decision to raise fares while the Federal Government is proposing drastic restrictions on automobile usage in northern New Jersey, and Mr. Nixon is giving high priority to holding the line on prices. Clearly, whoever is making this kind of decision under these kinds of circumstances has his head in the sand.

Mr. Speaker, I have fought hard to improve mass transit because I feel that only when mass transit is adequate can life be worth living in highly urbanized areas like Hudson County, N.J. We have a serious air pollution problem, our streets are choked with traffic and valuable properties are taken off the tax rolls because persons wishing to go to and from New York City need highways.

Mr. Speaker, I am determined that the future of Hudson County is not that of a parking lot for automobiles. We must have better mass transit, but more important, people must be encouraged to use it. Raising the fare by 67 percent is foolishly counterproductive.

Tomorrow morning I am meeting in Jersey City with Councilman Pesin, Council President Pugliese and Councilman Peter Zampella to map a plan to block this fare hike. To Jersey City people this may be a local matter, but if it were just a local matter I would not be taking the time of the House to discuss it. It is a national issue with strong ramifications in the most urbanized area in America. If we lose this fight in the New York City area, the war against air and noise pollution will have suffered a major setback. I am determined that before this unwarranted, unjustified increase is granted, all the facts will be laid before the people.

I commend Councilman Pesin for his leadership and I also commend his distinguished colleagues, Paul Cuprowski, Timothy Hawkes, Thomas Maresca, William Massa, Dominick Pugliese, Lois Shaw, William Thornton, and Peter Zampella for responding to the call of the people.

Mr. Speaker, I insert the resolution of the governing body of the city of Jersey City at this point in the RECORD:

RESOLUTION

Whereas, the PATH has announced an unwarranted and unconscionable fare increase of 66.6% from 30 cents to 50 cents; and

Whereas, this Council by resolutions in June, 1973 and September, 1972 has strongly opposed any fare increase by PATH as an undue burden upon the people of Jersey City, as a blow to the mass transportation system of Jersey City and to the future development of Journal Square and the waterfront of Jersey City; and

Whereas, it is urgent in the best interests of the people of Jersey City that the Council exert all the forces at its command to mobilize public opinion and oppose said increase before the Interstate Commerce Commission;

Therefore, be it resolved, that a three (3) man committee be appointed by the President of the Council to effectuate the purposes of this committee as aforesaid.

THE CANADIAN ALTERNATIVE TO THE TRANS-ALASKA PIPELINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, as the Senate debate on the Alaska oil pipeline enters a crucial phase, I wish to call Members' attention to an internal Interior Department memorandum of April 1972, which presents some interesting arguments for construction of a Canadian alternative to the trans-Alaska-pipeline-tanker system. This report was prepared at Secretary Morton's request by then Deputy Under Secretary Jack Horton.

There is some confusion about the status of the Horton report. We learned about the existence of the report only last month after it had been kept under wraps in the Interior Department for 14 months. Secretary Morton referred to it on June 15 in testimony on the Alaskan pipeline before the House Public Lands Subcommittee. The Secretary indicated at that time that the report would be submitted to the subcommittee for inclusion in its published record of the hearings. As of yesterday, however, the report was not included with the other agency documents on the pipeline now at the Government printer's.

Why, after sitting on this report for more than a year, did the administration last month finally decide to release it?

If it were intended as a sop to critics who believe the administration has not given the Canadian alternative the careful consideration it merits, it has failed. While interesting, particularly for its contradictions of official administration "facts" on the pipeline, it is at best super-

ficial. It leaves many vital arguments untouched, for example, the supply situation on the west coast, documented by compelling industry statistics that project a west coast shortfall in 1980 of only 0.4 million barrels a day—a situation which clearly does not warrant bringing Alaskan oil to that area.

But, as I have said, it is an interesting document, and in some ways a curious one.

Most notably, the Horton report flatly contradicts Secretary Morton's recent public statements that delivery of oil to U.S. markets from Alaska's North Slope would be delayed from 3 to 5 years if an oil pipeline were built through Canada rather than along the trans-Alaskan route favored by the Interior Department. The Horton report cites a "possible loss of 1 to 2 years for oil delivery to market" if the Canadian pipeline were built.

The large oil companes have repeatedly stressed the delays that would result from construction of a pipeline across Canada. Standard Oil of Ohio has estimated a 9- to 10-year delay; Atlantic Richfield a 7-year delay. Such claims are understandable from companies that would profit directly from the construction of the Alaskan pipeline. But it is disappointing to learn that Secretary Morton himself has helped to spread similarly inflated estmates.

The Horton report is interesting, too, in its acknowledgement that the administration in April 1972 expected the Canadian Government to apply "increasing pressure against the trans-Alaska pipeline." Moreover, the Canadian alternative of the Horton report is not the venture by a consortium of privately owned companies generally being considered. It is, instead, an "international joint venture" between the government of the United States and Canada, with financing shared equally by the two governments and the oil industry.

The Horton report further calls attention to the flexibility afforded by a Canadian route, which "would allow delivery to both west coast and Chicago markets." The Interior Department officially denies any such advantage.

The Horton report states that there would be a 10 to 15 percent savings on costs of the construction of a single route for cold-gas and hot-oil pipelines, including savings in common roads, common pumping stations, and common gravel sources. The Interior Department officially belittles such savings.

The courts have given the decision on construction of this oil pipeline to Congress. To make such a decision we must be informed. If time is of the essence, as the administration would have us believe, these discrepancies deserve clearing up. Will there be a delay of 1 to 2 years, or a delay of 3 to 5 years?

The Mondale-Bayh amendment in the Senate and the Udall-Anderson and Ruppe-Aspin bills in the House would provide the objective evaluation needed. These proposals would mandate a congressionally sponsored crash study, would open immediate negotiations with the Canadian Government, and would require a congressional decision upon completion of the study. I strongly urge fellow Members to support this approach.

Mr. Speaker, I include the text of the Horton report in the RECORD at this point:

AN ALTERNATIVE TO THE TRANS-ALASKA PIPELINE

1. The Department of the Interior released a massive 9-volume environmental statement on the proposed Trans Alaskan pipeline on March 20, 1972. As required by the National Environmental Policy Act, this statement clearly and objectively defines the impact to be expected from construction of the pipeline and operation of an associated tanker system to the West Coast. The most serious hazards are projected for the fishing industry and marine environment in Prince William Sound and from the threat of large earthquakes in Southern Alaska.

2. Secretary Morton has indicated that no action on the permit would be taken for 45 days or until May 4, 1972. During this period, increasing pressure against the Trans Alaska pipeline can be expected from the National Media, leading environmental groups and the Canadian Government.

3. Because of the high intensity of these potential pressures and in light of the uncertain length of litigation against the Alaska pipeline, an alternative course of action should be kept under consideration.

4. One alternative would be the establishment of an International Joint Venture between the Government of the United States, the Government of Canada and the oil industry for the purpose of constructing and operating a continental "common carrier" pipeline system for transporting oil and gas resources from the American and Canadian Arctic by way of the MacKenzie Valley to market.

In forming this International Joint Venture, the Government of the United States, the Government of Canada and the oil industry would share equally the required investment and the resultant return on capital.

This International Joint Venture could serve as the cornerstone of a North American Continental Oil Policy.

POLITICAL CONSIDERATIONS

Favorable

1. Strongly favorable public reaction from a) national environmental groups, b) Midwestern and Eastern electorate, and c) national media. Interior has received in excess of 52,000 letters in the last year alone, the vast majority of which are against the Alaska pipeline. Most of the national media is opposed to the Alaska route.

2. The Administration (with the Government of Canada) would regrasp the political initiative from environmental groups and the courts with respect to the transportation of Arctic oil.

Unfavorable

1. Risk of losing three electoral votes and one Senate seat in Alaska.

INTERNATIONAL CONSIDERATIONS

Favorable

1. An international joint venture would contribute to reversing the growing tide of nationalism in the United States and Canada uniting both countries, symbollically and physically, by an "Iron Artery."

2. This alternative route would stimulate exploration and development of petroleum and other resources in both countries, and could constitute the first step in developing a North American continental oil policy.

3. An intercontinental pipeline would avoid the potential adverse impact on the coastline of British Columbia (except in Puget Sound) and the marine biota of the Northeast Pacific.

4. For these economic and environmental reasons, the alternative should be a political-plus for the Canadian Government.

ECONOMIC AND ENERGY CONSIDERATIONS

Favorable

1. Under a tripartite joint venture, the oil industry would provide only one-third of the necessary capital investment.

—for a continental pipeline to Puget Sound via Edmonton, the industry would invest 1.7 billion (of a 4.2 billion total) compared with 4.15 billion industry investment for the TAPS system.

—for a common oil and gas system to Chicago, the industry would invest 3.1 billion of a total 9.8 billion cost. This is compared with an 8.65 billion industry investment for the TAPS pipeline—tanker system (4.15 billion shared with shipping companies) and a gas pipeline to the midwest United States (4.5 billion to be funded by a consortium of gas utiliites).

2. The two governments and the industry could share equally the revenues generated from the investment.

3. A continental pipeline system would allow oil delivery to both West Coast and Chicago markets.*

4. Achieve a 10–15% savings on construction costs for gas pipeline parallel to oil pipeline because of common construction roads, common pumping stations and common gravel pads.

Unfavorable

1. For the oil pipeline to Puget Sound, an additional 500–700 million would be required for tankers to move the crude not refined in Puget Sound to other West Coast ports. The oil industry would share one-third of this cost.

2. About 65% of the 800 miles of TAPS pipe would have to be moved to depots in Canada. The cost of moving would be shared by the three parties in the Joint Venture; the capitalized value of the pipe, however. would not be lost. Additional pipe of less stringent specifications would have to be ordered (1600 miles more to Puget Sound; 2450 miles more to Chicago.)

3. Possible loss of one to two years for oil delivery to market. This consideration must be weighed against the indefinite time period of TAPS litigation and against the uncertain Canadian authorities.

4. Loss of approximately one-half of the 8,000 American jobs projected annually for construction of the Trans Alaska pipeline. This loss, however, might be partially or totally offset by jobs provided by pipeline construction into Chicago or the Puget Sound area. Pipeline employment would exist only for the period of construction, three years in the case of the Trans Alaska pipeline. The route of oil transportation would have no effect on the 2,300 jobs estimated for the drilling development of the Prudhoe Bay field.

5. Loss of some revenues (less than 2%) to the State of Alaska. Over 95% of the benefits to the State are attributable to royalties and production taxes. 3% is attributable to corporate income taxes. These three sources of revenue would be unaffected by route location.

6. Some, but not all, of the industry costs of technical and scientific investigations could be applied to a Canadian intercontinental system.

ENVIRONMENTAL CONSIDERATIONS

Favorable

1. Avoid chronic oil pollution in Port Valdez and Prince William Sound.

---

*A pipeline from Portland, Maine, now deliver about 500,000 barrels per day of tanker-transported Mideast and Velezculan crude to Montreal. Other pipelines which cross the Canadian-American border include the Trans Mountain (250,000 bbl/day); the Continental (Calgary to Montana 95,000 bbl/day) and the Interprovincial (Calgary to Chicago, 1,300,000 bbl/day).

Projected annual financial loss of $400,000 to salmon industry in Valdez arm.

Projected 12-32 barrels per day discharge in Valdez Harbor from ballast treatment plant and transfer operations.

2. Avoid increased marine transport of oil in Northeast Pacific. Prevent 384 barrels of daily oil loss from accidental tanker spills estimated by U.S. Coast Guard on a "worst case" basis.

3. Avoid three of four most sensitive areas of permafrost in Alaska (Yukon Flats, Hess Creek area, and Copper River Basin).

4. Reduce number of crossings of major mountain ranges.

5. Minimize adverse socio-economic impacts (recreational and wilderness disturbance: Native subsistence and community disruption projected for TAPS line).

6. Avoid high intensity seismic areas in Southern Alaska.

7. Avoid two "transportation" corridors across the Brooks Range for separate gas and oil pipelines.

8. Minimize overall terrestrial disturbance by one corridor for oil and gas systems.

9. Reduce number of river crossings by about one half.

Unfavorable

1. If the two *oil* transportation systems (TAPS and Mackenzie Valley) are compared, *more* terrain (and wildlife habitat) would be physically disturbed if the Canadian proposal were adopted. If both *oil and gas* transportation systems through the two countries are compared, *less* total terrain would be disturbed by choosing a common corridor.

2. The Canadian route would involve a *greater linear extent* of permafrost (770 miles for TAPS, 1205 for Mackenzie Valley). The character of the permafrost, however, is more important in determining the events of impact and construction techniques (and costs) required. Lack of knowledge of the Mackenzie route prevents a comparison of permafrost conditions, other than linear extent.

3. For Edmonton to Puget Sound, any pipeline would have to cross the Rocky Mountains, probably parallel to the present Trans-Mountain pipeline. Interior has not studied the topographical or seismic conditions of this route.

HEARINGS SET ON FEDERAL PRISONERS FURLOUGH BILL AND PATENT OFFICE MISCELLANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice announces the following public hearings:

First. Hearing on H.R. 7352, a bill to amend section 4082(c) of title 18, United States Code, to extend the limits of confinement of Federal prisoners.

This measure would amend existing law relating to furloughs of Federal prisoners. The hearing on H.R. 7352 will be held on Thursday, July 19, at 10:00 a.m., in room 2148, Rayburn House Office Building.

Second. Hearing on—

H.R. 7599, a bill to amend the Trademark Act of 1946 title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office";

H.R. 8981, a bill to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees;

H.R. 9199, a bill to amend title 35 United States Code, "Patents", and for other purposes; and

S. 71, a bill for the relief of Uhel D. Polly.

These measures involve patents and the Patent Office. The hearing will be held at 10:00 a.m. on Friday, July 20, in Room 2226, Rayburn House Office Building.

COUNCIL ON ENVIRONMENTAL QUALITY CALLS FOR CONSTRUCTION HALT ON BUREAU OF RECLAMATION'S GARRISON DIVERSION UNIT IN NORTH DAKOTA

The SPEAKER protempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on June 28, Congressman JOHN SAYLOR and I participated in debate on the Public Works Appropriations bill for fiscal year 1974. During that debate Congressman SAYLOR offered an amendment—which I supported—to delete further funding for the Bureau of Reclamation's Garrison Diversion Unit project in North Dakota.

While this Department of Interior project's appropriation request for fiscal year 1974 was $17 million, the total estimated cost of the project is $340 million. As I pointed out during the floor debate, the Bureau of Reclamation appears to be planning for future investigations on ways and means to expand this project. It is possible that a future, expanded project could cost somewhere between $1.6 and $2 billion.

During the debate, we pointed out that the project was an environmental disaster and made no economic sense whatsoever. Not only does the project pose the threat of increasing the salinity level of major rivers in the area—including rivers which flow northward into Canada—but it will result in a major reduction in wetlands vital to wildlife. In addition, this Bureau of Reclamation project does not provide irrigation for land which is arid or unproductive; it simply provides additional supplies of water to already highly productive areas—areas which are so productive that farmers in the area are being paid not to grow crops and to cut back on already excess production. Despite the data presented during the debate, our effort to delete further funding for this project failed. The appropriation for this project will be considered by the relevant Senate Appropriations Committee during the next several days and will then be considered by the full Senate.

Because of the severe environmental and cost-benefit ratio questions raised by this project, we have continued to investigate the necessity of proceeding with the Garrison Diversion Unit project. On July 10, I sent the following letter to the Honorable Russell Train, Chairman of the Council on Environmental Quality.

JULY 10, 1973.

HON. RUSSELL TRAIN,
Chairman, Council on Environmental Quality, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a copy of the CONGRESSIONAL RECORD of June 28th, including the debate on the Public Works Appropriations bill for fiscal year 1974. I have marked portions of that debate relating to an amendment offered by Congressman Saylor and supported by myself, which would strike the Garrison Diversion Unit, a project in North Dakota being constructed by the Bureau of Reclamation.

In light of the most serious international salinity problems raised by this project, and the destruction of existing wetlands (instead of the originally projected wetlands increase), has the Council issued any statements or comments on the propriety of continuing this project? Has it provided any guidance to the Department of the Interior on the environmental impact of this project? Are any studies or reports on this project being conducted by the Council?

Because of the tremendous cost overruns on this project, the failure for anticipated benefits to emerge, and increasing environmental problems, I am considering requesting a General Accounting Office examination of the cost-benefit ratio of continuing and expanding the Garrison project. Any assistance or information which you could provide prior to my request for such an investigation would be deeply appreciated.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

Congressman SAYLOR and I have just obtained a copy of the following letter, dated June 15, 1973, sent to Secretary of the Interior Rogers Morton, from Mr. Train. This letter—dated nearly 2 weeks before the House debate on this project—supports our contentions and calls for a halt in construction on the project. As the concluding paragraph of the letter states:

In view of the substantial and severe impacts of this project, including the loss of wetlands, the lowered water table, the severed farms, and the public controversy and international implications, I strongly recommend that construction on the Garrison Diversion Unit be suspended until these issues have been resolved.

Mr. Speaker, we hope that this letter—which repeats so many of the issues which we raised on the floor of the House—will cause a complete reinvestigation of this project, a new examination of its "true" cost-benefit ratios, and termination of this needless and environmentally disastrous project. We hope that the publication of this letter will assist the other Chamber in its debate and will insure that further funding of the Garrison Diversion Unit will be stopped.

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., June 15, 1973.

HON. ROGERS C. B. MORTON,
Secretary of the Interior,
Washington, D.C.

DEAR ROG: On April 5, 1973, the Bureau of Reclamation submitted to the Council a draft environmental impact statement on the Garrison Diversion Unit, Pick-Sloan Missouri River Basin Program, North Dakota. This draft supercedes an earlier draft statement filed on April 23, 1971. While this document is a significant improvement over the earlier version, there are a number of serious omissions and problems with respect to the environmenaal impact statement and the project itself.

The impact statement discusses the problem of Souris Loop Area irrigation return flows being discharged into Canada and indicates that a Task Force will be formed in the near future to "resolve differences" on these flows. The impact statement lists a number of possible remedial actions, including structural solutions, and concludes,

"Should negotiations with Canada dictate a solution that involves any of these alternatives, a more detailed investigation of its environmental impacts must be made."

Our files contain correspondence furnished by the Department of State which indicates that the Government of Canada protested the discharge of these return flows two years ago and informed the State Department that, ". . . this anticipated reduction in the water quality of the Souris River is unacceptable to the Government of Canada." Thus there can be little doubt that these flows will have to be abated. Our current negotiations with the Government of Mexico on this problem are indicative of its serious and costly implications. The solution of this matter is an integral feature of the Garrison Diversion Unit and the total lack of information on it precludes a full assessment of the environmental impacts of the Unit.

Also, the impact statement identifies the restoration of Devils Lake as a project purpose but discloses that the Lake has risen to within one foot of the proposed restoration level through natural adjustment. The continued inclusion of this aspect of the Unit as a project purpose appears questionable and should be clarified.

Another problem concerns the type of irrigation to be used. The impact statement states that the implementation of sprinkler irrigation will reduce adverse environmental impacts and right-of-way requirements, and increase on-farm efficiencies, etc. It appears, however, that sprinkler irrigation has been adopted by two districts only and that some areas are not suitable for this type of irrigation, although the statement also states that most areas will be developed for sprinkler irrigation. In view of the impact on the environment, as well as the farm efficiencies, this issue should be clarified. The high cost per farm ($25,000 to $30,000) in an area where net farm incomes averaged $6,088 in 1971 raises a question as to its applicability from a purely financial point of view.

In addition, the environmental impact statement contains little data with respect to the municipal and industrial water service which is, as yet, unidentified. There are no reservoir drawdown figures from which to judge this impact on recreation. No discussion of the cumulative impacts of the Garrison and Oahe Diversions on the Missouri River is made. Very little description of the fish and wildlife mitigation and enhancement program is provided.

Finally, no information concerning the total cost of the project, the cost-benefit ratio, or how the benefits are apportioned to the project purposes is contained in the impact statement. These basic figures are part of the project description and are essential to the reader's understanding of the project.

In view of the substantial and severe impacts of this project, including the loss of wetlands, the lowered water table, the severed farms, and the public controversy and international implications, I strongly recommend that construction on the Garrison Diversion Unit be suspended until these issues have been resolved. I would also appreciate it if the Council can be kept advised of the progress of the Task Force on the United States-Canadian Salinity problem.

Sincerely,

RUSSELL E. TRAIN,
Chairman.

BROAD POWERS OF THE EXECUTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, a number of pressing concerns of late have prompted examinations of the broad powers of the Executive. Critical analysis of the powers of the Executive has a dual scope; the practical no less than the theoretical aspects of this matter are subject to review. The gravity of the constitutional questions surrounding Executive powers and privileges is being presently realized because of repeated instances of misuse, abuse, and overextension. The manner in which the executive branch has operated in the recent past both in domestic and foreign policies exhibits an attitude of nonaccountability to the public which it serves. Such disregard for liability to the public has led to embarrassing and damaging revelations that give cause for the careful reconsideration of any further grants of authority to the Executive.

An examination of existing Executive authority and the effectiveness of its implementation is in order in view of the current consideration of the Trade Reform Act of 1973, H.R. 6767, in the Committee on Ways and Means. The serious balance-of-payments deficit, the uncontrolled inflationary spiral and the high unemployment percentage rate can be blamed to a great degree on ineffective trade policies of the past. At this time, however, when the President requests numerous and broad extensions of trade negotiating authority for the purpose of setting up a more equitable world economic system to benefit and stimulate the economic growth of the United States, there are important sections of the United States Code under title 19 dealing with the negotiable powers of the Executive that have gone unused. It is unclear as to what exactly motivates the executive branch to call for further broad trading authority when the powers it has at hand in this field are often ignored.

To cite a clear example of what can appropriately be termed Executive mismanagement might bring this criticism into a practical focus. In the New England area the fishing industry has been severely undermined by the efforts of foreign fleets. Their violation of all international commission conservation quotas and tonnage requirements in the last decade has caused severe unemployment and rising prices and has contributed to the balance of payments deficit. These actions indisputably constitute bad faith on the part of the countries whose boats are fishing off our shore insofar as the conservation of international fishery resources is concerned. Under the provisions of section 1323 of title 19 of the United States Code the President has recourse to the unfair practices of foreign competitors in this field. Title 19, United States Code, section 1323 reads as follows:

1323. Conservation of Fishery Resources.

Upon the convocation of a conference on the use or conservation of international fishery resources, the President shall, by all appropriate means at his disposal, seek to persuade countries whose domestic fishing practices or policies affect such resources, to engage in negotiations in good faith relating to the use or conservation of such resources. If, after such efforts by the President and by other countries which have agreed to engage in such negotiations, any other country whose conservation practices or policies affect the interests of the United States and such other countries, has, in the judgement of the President, failed or refused to engage in such negotiations in good faith, the President may, if he is satisfied that such action is likely to be effective in including such country to engage in such negotiations in good faith, increase the rate of duty on any fish (in any form) which is the product of such country, for such time as he deems necessary, to a rate not more than fifty percent above the rate existing on July 1, 1934. (June 17, 1930, ch. 497, title III, 323 as added Oct. 11, 1962, Pub. L. 87–794, title II, 257i, 76 Stat. 883.)

I have been informed by the Secretary of the Treasury that there have been no increases in the rates of duty on fish—in any form—pursuant to section 1323. Furthermore, the Secretary has communicated to me that he is unaware of any negotiations entered into under the provisions of this statute. 19 U.S.C. 1323, however, is not the only provision in the United States Code that deals specifically with the powers of the Executive to handle violations of international fishery agreements of which the United States is a signatory. Section 1978 of title 22—Foreign Relations and Intercourse, spells out the precise duties of the President, the Secretary of Commerce, and the Secretary of the Treasury with respect to countries that are offending the regulations of international fishery conservation programs. This statute expressly prohibits the importation of any fish products of the offending nation for such a duration as the Secretary of the Treasury may deem appropriate and makes it the duty of the President to notify the Congress on any action taken pursuant to this section after his notification by the Secretary of Commerce.

During the last decade and a half, while the New England fishing industry has rapidly declined due to the illegal fishing practices by greedy foreign competitors, practices which have resulted in the commercial extinction of several of the staple fish species that our American fishermen relied on for their livelihood, the Executive has abdicated its responsibility to protect this industry and its resources, and has forsaken the use of potentially useful trade tools.

In their reports to the Ways and Means Committee in early May administration spokesmen stated they were "working on procedures for extensive consultations with the private sector—the President needs the advice and ideas of industry." The fishing industry which has been in desperate need of some protection has not been consulted to any meaningful degree. Its advice and ideas have obviously fallen on deaf ears in the Executive departments. The executive branch makes eloquent appeals before the Committee on Ways and Means assuring us that the administration is not taking our international obligations lightly. But what about our national obligations? The public in New England has suffered far too long from the abuses of fuel oil import quotas, high rates of unemployment, and artificially caused inflation because quite simply this administration has taken its national obligations too lightly. And now the consumers of New England, indeed the entire Nation, are being forced into paying exorbitantly high prices for fish products because the executive branch has failed

to exercise its forceful options as detailed in the United States Code to rectify the injurious trade practices of nationals who subsidize those profiteering fishing fleets that have decimated so many valuable commercial fish stocks.

New mechanisms for liaison and cooperation with and consideration and review by the Congress promised by the administration in the new trade bill are shallow platitudes that cannot hide the basic fact that the Executive is already in possession of flexible negotiating authority and these powers have not been used. The administration has never fully displayed any air of cooperation with the Congress and every caution must be employed before any further unaccountable authorities are rendered to the powerful executive branch.

FORCED STERILIZATION: WOMAN'S RIGHTS THREATENED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, I would like to include in the RECORD a copy of a statement which I released today at a press conference at the American Civil Liberties Union headquarters in regard to Federal funding of sterilization surgery:

STATEMENT

I would like to take this opportunity to express my outrage at the involuntary sterilizations apparently authorized by some federally funded family planning clinics. Without legal or medical appeal procedures, government officials have apparently sanctioned irreversible sterilization surgery to be performed upon poor, usually Black women and young girls, without the consent or understanding of a parent or guardian. All the while, 25,000 copies of regulations governing such surgery sat, for allegedly political reasons, collecting dust in a government warehouse.

I welcome the $1 million damage suit recently brought by the father of two such victims, 12-year-old Alice Relf and her 14-year-old sister, Minnie Lee. This and other suits will ask the courts to determine whether our government can deprive its citizens of the cherished right to privacy upon the dubious due process signified by an "X" naively scratched upon a consent form.

It should be noted that these federally-subsidized, involuntary sterilizations have seriously violated the right to privacy which the Supreme Court declared to be guaranteed under the Constitution in *Griswold* v. *Connecticut*.

Since when can the government rescind the right to privacy of minors and the retarded without due process of law? The recent Supreme Court rulings on abortion have reaffirmed the importance of the right to privacy, extending it to encompass the mother's decision to terminate an unwanted pregnancy. In particular, *Roe v. Wade* upheld that right against the state's interest in protecting future life, at least during the first term of pregnancy. In sterilization cases, the individual right to privacy must be similarly defended.

It is, of course, important to find out who is responsible for the allegedly involuntary sterilizations performed in Montgomery, Alabama and elsewhere. But rather than promoting controversy among the various social service organizations, we should help these groups to reorient their programs so that they directly serve the poor and uneducated and are less subject to prejudiced actions by local or federal officials.

It would be disastrously unwise to curtail family planning programs as a result of these abuses. Instead, we should offer more thorough and informative counseling so that each adult can make her or his individually-appropriate decisions. However, I vigorously oppose the use of federal funds to refer for or perform sterilizations upon minors.

I wholeheartedly support the efforts of 14 religious and population groups which have united behind that position. Even with acceptable guidelines, the potential for abuse of sterilization laws with regard to minors appears to outweigh any possible beneficial effects. In cases involving retarded persons, of any age, I would propose a detailed set of regulations authorizing federal funds for sterilization surgery following rigorous medical and legal review.

In addition, the CAA and OEO bureaucracies should be reorganized to facilitate more careful supervision of such controversial programs and to include the supposed beneficiaries in more frequent evaluations of both the methods and the goals of these programs.

Specifically, I join Dr. Alan Guttmacher, President of Planned Parenthood-World Population, in urging the Office of Population Affairs immediately to convene a "working conference of knowledgeable representatives of professional medical organizations, consumers, the bar, state and local officials, experts in the field of retardation and family planning program administrators" to develop workable guidelines governing voluntary sterilization for adults and consentual sterilization for the retarded. I trust that the honorable members of Congress will not threaten the necessary continuation of OEO programs, including family planning clinics, on the basis of such inexcusable tragedies as that which occurred in Alabama and elsewhere.

Finally, I think it is important to underscore the fact that it is poor women and young girls who are the victims of governmental interference in their private lives. Recently, we saw the House vote, in a flagrantly class discriminatory action, to deny legal services to poor women in abortion cases. Now we see denial to poor women of the right to have families. Clearly, under the Constitution, poor women are entitled to have their right to have babies, or *not* to have babies, fully protected.

STATEMENT BY THOMAS P. O'NEILL, JR., MAJORITY LEADER, ON THE JOINT ECONOMIC COMMITTEE STUDY ON THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 15 minutes.

Mr. O'NEILL. Mr. Speaker, I want to take a moment to compliment the distinguished gentleman from Texas (Mr. PATMAN) in his capacity as chairman of the Joint Economic Committee.

Last Saturday, on June 30, Chairman PATMAN released the Joint Economic Committee's remarkably comprehensive 776-page study entitled "Soviet Economic Prospects for the Seventies."

The study is undoubtedly the most timely and complete analysis of Soviet economic prospects in existence, and I would like to place in the RECORD at the conclusion of my remarks the high points of the summary of this fine publication.

Mr. Speaker, we are fortunate for the resourcefulness, hard work, and support of many fine committees and committee chairman in the Congress, but this new document which will aid us so greatly in understanding the Soviet Union, is another of many reminders of the great debt of thanks we owe to the conscientious members of the Joint Economic Committee and the men and women on its staff.

SUMMARY

(By John P. Hardt)

A new era of international and commercial relations was announced by the Soviet and United States leadership after the Summit agreements of May 1972 and the commercial agreements in the fall of 1972. Yet the Soviet military establishment and Soviet foreign policy remain the primary rationale for the United States' national security outlays. Even with a smaller economy than the United States the Soviet Union continues to allocate in quantity and quality a comparable absolute amount of goods and services to military, space and aid.

With the adoption of the Ninth Five-Year Plan for the years 1971–1975 Soviet leaders underlined the importance of technological change and improvement in the level of consumption. The increased emphasis on investment to modernize their economy and the attention to consumer needs brought to the fore the question of civilian vs. military programs. Technological change also increased the Soviet interest in expanded commercial relations—especially those involving technological transfer—with the United States, Western Europe and Japan.

At a time in 1972 when economic performance was most important to fulfilling Soviet aims they suffered one of the worst years in the history of their planned economy—a GNP growth of close to 2 percent. Not only was the overall growth held down by an agricultural disaster, but other sectors also fell short of plan. As agriculture still represents about one quarter of the Soviet gross national product it was clearly the major culprit (see Table 1).

TABLE 1.—U.S.S.R.: INDEXES OF GNP AT FACTOR COST, 1970–72[1]—1953=100

	1953 weights, percent	1970	1971	1972
Industry and construction	39.2	112.7	120.0	126.2
Agriculture	24.4	109.5	103.0	97.3
Transportation and communications	6.8	114.9	118.8	124.8
Trade and services	29.6	109.7	114.0	120.0
Trade	5.9	115.6	123.6	132.0
Services	22.7	107.9	111.9	116.3
GNP	100.0	111.0	115.4	117.2

[1] These figures are based on data provided in various articles of this volume.

In the 30 chapters of this compendium some 40 specialists from government and academic institutions in the United States and Europe have assessed the recent Soviet economic performance and its implications for the future. The chapters in the compendium are arranged in 7 sections: Plan and Policy, Resource Claims of the Soviet Military Establishment, Industry, Agriculture, Consumption, Human Resources and Education, and the Foreign Economy. Most of the authors have provided their own summaries and the reader may wish to make up his own mind on differences of professional viewpoints. The following are some of the major questions raised by the papers with an indication of answers and where in the volume the appropriate analysis may be found.

1. How do the Soviet leaders view the economic issue in their policy deliberations? Is there a new strategy for economic development? How were priorities changed in the

current Ninth Five-Year Plan (1971–75) and the economically disastrous year 1972?

Key economic decisions are still concentrated in the hands of the top Party leaders, Leonid Brezhnev, Alexei Kosygin and other members of the Politburo. (Cook, p. 6.) Although important issues have been raised—such as the Stalinist emphasis on heavy industry, military prowess and the centralized planning and management system—the changes have not been far-reaching or dramatic, even under the stress of poor performaces in 1972. Still the long-held Stalinist view of autarky or self-sufficiency in foreign trade has been challenged if not replaced in the new era of Soviet-United States commercial relations (Wilson, Katz, Porter, Pounds-Rodgers, p. 643.)

The Soviet leaders are in the process of adopting a new economic strategy by: (1) altering current output to favor consumption; (2) changing the compositon of investment to increase consumer goods production capacity; (3) emphasizing technological change, improved management, and increased productivity (Campbell—Earle—Levine—Dresch, j. 139). Although technological change and improved standards of living for consumers were featured in the discussions of the Ninth Five-Year Plan at the Twenty-Fourth Party Congress, the short-term changes away from traditional military and heavy industrial claimants are modest. Moreover, the shortfalls of 1972 make it unlikely that even the modest goals for technological change and improved consumer welfare will be attained. (Bush, p. 44, Block, pp. 199–200.)

2. The current Ninth Five-Year Plan has been described in more detail than any similar plan in 30 years. Was the planning process improved for the development of this current plan? Is the current Five-Year Plan internally consistent and feasible?

Although the State Planning Committee was directed to use the 1966 Soviet input-output table as a basis for formulating the plan, it was apparently prepared by traditional methods (Treml—Kostinsky—Gallik, p. 250; Schroeder, p. 27). However, using a version of the Soviet 1966 table and other Soviet data it is possible to conclude that the published plan was neither internally consistent, nor feasible. Given the unanticipated poor performance in 1972 the goals for 1975 seem even less attainable.

Soviet leaders have shown increasing interest in two other goals. Somewhat belatedly they have recognized a need for comprehensive policies in technological change (Hutchings, pp. 71–86) and environmental protection. (Goldman, pp. 56–70.) The seriousness of their efforts to deal with the problems of technology seem far greater than their commitment to protecting the environment.

3. For some years Soviet leaders have accepted the need for reform in planning and management. What is the record to date and prospects for future change?

Changes in planning and management under current Soviet leadership have focused on the following aims: (1) an increased role for five-year and longer-range plans; (2) the efforts to devise more "scientific" bases for plans, of whatever kind and duration; (3) detailed planning for technological progress, improved product quality, and economic efficiency; and (4) the use of mathematical models and computers, including input-output techniques. (Schroeder, p. 13.)

The result to date has been the uncertain establishment of the research base for significant future changes in the entrenched Soviet planning and managerial institutions and the more certain increase in the size of that bureaucracy. (Schroeder. p. 38.)

At the same time it appears the official tolerance of an "unofficial" economy may have reduced the pressure for reform in incentives. According to some Soviet emigre interviews, "grey" and "black" markets and second jobs or "moonlighting" may be widespread in the U.S.S.R. To put it another way, the informal activities revealed recently in the Georgian Republic may be typical and all-pervasive. (Katz, pp. 88–94.)

4. In the last decade Soviet allocation of resources for defense has permitted a strategic weapons buildup sufficient to claim parity with the United States and a military manpower increase sufficient to meet additional felt needs on the China border and in Czechoslovakia. Has the burden of Soviet defense increased? What are the opportunities foregone by the continued top priority for defense? How accurate are our measurements of these military outlays and the defense burden?

By some estimates, the Soviet defense burden has not been rising and is no greater than that of the United States. (Block, p. 190.) Moreover, the military and civilian sectors of the Soviet economy are considered separate and distinct:

As completion of the Ninth Five-Year plan is closely tied to performance in their machinery sector (Noren-Whitehouse, p. 214), any diversion of resources to or from military programs might be critical to success in plan fulfillment. Still "there appears to be strong evidence to inverse movement between defense expenditures and those for both capital investment and private consumption. . . . We can draw a tentative conclusion from econometric analysis that Soviet defense expenditures have adversely affected Soviet economic growth". (Cohn, p. 153, 154.)

Likewise, the opportunity costs for military manpower are significantly understated by explicit Soviet manpower costs (Brubaker, p. 174). Indeed nonfulfillment of the Plan or resumed demobilization of military manpower may be a choice forced upon the leadership.

The adverse effects of military programs on Soviet economic performance may have influenced the Soviet positions on Strategic Arms Limitation Talks (SALT) and Mutual and Balanced Force Reduction (MBFR) discussions.

5. Agricultural output has played a more important role in economic performance in the U.S.S.R. than in the United States. How did agricultural performance change in the two countries in recent years? What special problems arose in the Soviet economy because of the poor 1972 agricultural output?

Net farm output rose more rapidly in the Soviet Union than the United States. Growth indices for agricultural output (1966–1971 compared to 1950–1955) were 184 for the U.S.S.R. and 132 for the United States (Whitehouse-Havelka, p. 345).

6. Consumerism is said to have come to the Soviet economy. Is this assertion valid in terms of changed priorities, plans, and performance?

It is not so much that goals are higher or programs are different, but the leadership now seems serious about meeting consumer needs. Satisfying the Soviet consumer, however, is becoming more difficult.

In spite of a disastrous year in agriculture the livestock herds have been fed imported grain, thereby keeping alive ambitious plans for increased meat output. (Diamond-Krueger, p. 327.) However, while "diets have improved—more meat and other quality food and fewer starches are on the nation's tables." ". . . the Soviet regime has not yet satisfactorily solved that most basic of problems—providing the population with a quality diet." (Bronson-Severin, pp. 376–377.)

In housing, another key consumer area, the record is even less impressive:

"At the present rate of increase in housing stock in urban areas at least six more years will be required to provide each family with its own unit. . . .

"Quality of construction by Western standards is shoddy and the design unimaginative. Moreover, approximately 20 percent of urban state housing still is without running water and sewerage, and for all housing, rural and urban, this figure probably exceeds 50 percent. Useful space available per person has increased in the last ten years from about 9 square meters to 11—which is still little more than half that provided in most Western European countries." (Smith, p. 405.)

Even for autos the availability of more vehicles is tempered by the shortage of filling stations, repair garages, and usable roads.

On the other hand, an increase in money wages has also been accompanied by a more egalitarian income distribution "* * * the narrowing of wage differentials in the U.S.S.R. over the past two decades has been enormous." (Bronson-Severin, p. 379.) This "income revolution," reviving the old Marxist concept of an egalitarian society, may encourage the recent interest of Soviet sociologists in social differentiation (Katz, 94–102.)

7. The first census since 1959 is now available for analysis. What does it show? Will manpower shortages constrain Soviet economic performance in the future? To what extent is the labor shortage a problem of inadequate skills? Will the investment in education help overcome labor quality problems?

"The dominant features of the demographic trends in the Soviet Union during the 1960's were the steadily declining fertility and the concomitant decreasing rate of population growth. * * *

"If fertility remains constant at the 1971 level, the total population of the USSR is projected to be about 320 million on January 1, 2000, an increase of nearly 71 million (29 percent) over the total of 249 reported for January 1, 1973. If fertility declines, as it has done over the past decade, the total is projected to be between 292 and 306 million at the beginning of 2000, or an increase of between 18 and 23 percent over the projection period." (Leedy, pp. 429–430.)

The differential rate of population growth among Soviet nationalities may be as disturbing to Soviet leaders as the general decline in the rate of expansion. The European areas—including the dominantly Great Russian areas are—below average, while the Central Asia Republics have the most rapid population growth. This may further encourage Soviet leaders to adopt an explicit policy for encouraging population growth in low birth rate areas.

In view of the shortfall in the planned increase in labor productivity in 1972, it now appears that labor availability will prevent completion of the Ninth Five-Year Plan. Moreover, the labor constraint during the Tenth Five-Year Plan is likely to be more severe.

The education system affects the quality of the labor force.

". . . the USSR now claims that 99.7 percent of the population is literate, compared with only 44 percent in 1920. * * * Universal eight-year education has been achieved and progress is being made on providing universal ten-year education for all youths. Despite these efforts, however, the labor force is not as highly trained as the recent accomplishments in education imply. * * * Presently about one-third of the Soviet labor force has less than 8 years of education and not even one of every ten workers has finished college." (Carey, p. 623.)

Soviet education has favored engineers and scientists.

"As long ago as 1950 the number of persons working in Soviet R&D was half again as large as the number working in R&D in the United States. During 1951–70 the USSR enlarged its R&D labor force at a substantially greater rate than did the United States—9.3 percent per year compared with 6.3 percent per year. As a consequence, total R&D employment in the USSR grew to more than 2½ times the U.S. level by 1970. * * *

"There is, however, no Soviet advantage in the number of scientists and engineers conducting or managing R&D projects; according to the estimates presented above, the USSR had 494,000 of these people in 1970 while the United States had 545,000." (Bronson, p. 580.)

8. Increasing commercial relations with the United States and the other economically developed nations are considered to be of political benefit as a stabilizer in international relations. How significant is trade with the developed economies to the performance of the Soviet economy? What are the limitations on increases and prospective future levels of economic interchange? Are the expansions of Soviet shipping and of military and economic aid primarily political or economic development?

The trade agreement of October 1972 continued the pattern of normalization of United States-Soviet relations begun at the Moscow Summit in May 1972. Agreements on debts, business facilities, financing, shipping and related matters opened the prospect of substantially expanded trade. However, many issues remain, especially the granting of most-favored-nation treatment by Congress. Other issues related to commercial relations will be taken up by the Joint U.S.-U.S.S.R. Commission, which was established a continuing body. (Wilson, Katz, Porter, Pounds, Rodgers, pp. 657–659.)

Although many of the constraints on trade have been reduced or eliminated, different problems have come to the fore, including those related to joint investment projects and convertibility. These involve not only legal barriers but also differences in the economic systems of the two countries. (Holzman, pp. 682–689.) Industrial cooperation between the United States and the U.S.S.R. requires serious negotiations and significant political and economic concessions on both sides (Yalowitz, pp. 717–718.)

The major obstacle to expanded Soviet commercial relations with the West is obtaining financing for Soviet imports.

"As a result of Soviet inability to expand its exports to hard currency countries rapidly enough to pay for growing imports, the Soviet trade balance with these countries has been in deficit throughout the period 1960–71, averaging about $270 million per year. In 1972 large imports of Western grain contributed to a record deficit of at least $800 million. Until the mid-1960's, these deficits were financed primarily by gold sales and, to a lesser extent, by Western government-guaranteed medium-term credits. * * *

"Dwindling gold reserves and the greater availability of Western credit resulted in increased use of Western government-guaranteed medium- and long-term credits, which replaced gold as the chief element in financing the Soviet deficit with the West." (Farrell, p. 691.)

Gold sales totaled $250–300 million in 1972. With the higher price for gold in Western markets, the Soviets may increase their exports in order to finance imports from the West. Soviet exporters also hope to increase their sales of valuable raw materials, especially petroleum products and natural gas. However, without massive East-West joint ventures, prospects for increased petroleum and natural gas exports seem dim in view of Soviet production problems and increasing domestic and East European demand. (Campbell, pp. 47–49; Lee, p. 290.)

The shortage of hard currency explains the eagerness of Soviet leaders to enter coproduction arrangements with Western firms.

Soviet interest in expanded foreign economic relations extends to commercial ties with the developing nations. Soviet foreign aid programs initiated after Stalin's death have retained their largely political character. However, they are also partially motivated by economic considerations.

As a result of expanded Soviet foreign economic activities, the Soviet merchant marine fleet grew at a far more rapid rate than the economy as a whole. The October 1972 U.S.-U.S.S.R. maritime agreement, combined politics and economics.

COMPARATIVE SOVIET-UNITED STATES ECONOMIC DEVELOPMENT

With a larger population the Soviet economy still produces less goods and services than the United States economy (Table 2). In fact, the gap between the Gross National Products (GNP) of the two countries has not been narrowing in spite of more rapid growth in the output of Soviet industry and agriculture and a proportionally larger increase in investment since 1960. With a larger labor force the Soviet economy is faced with problems of labor shortages while the United States economy is plagued by a continuing labor surplus.

Comparable allocations of resources in each country to national security programs place constraints in each case on the funding of civilian programs to modernize the economies and improve the quality of life. The preemption of scarce capital and manpower by the military acts as the primary constraint on Soviet civilian programs; whereas fiscal constraints—the availability of tax revenue within the existing tax structure—appear to be more important in determining the level of Federal government programs for civilian improvement in the United States. Whether the burden or opportunity costs of military programs are higher in the Soviet Union or United States probably turns on the subjective value of the options forgone.

TABLE 2.—ECONOMIC INDICATORS[1]

	U.S.S.R.			United States	
	1970	1971	1972	1971	1972
GNP (billion 1971 U.S. dollars)	561	570	580	1,050	1,118
Population midyear (million persons)	242.8	245.1	247.5	207.0	209.0
Per capita GNP (1971 U.S. dollars)	2,269	2,326	2,343	5,072	5,349
Industrial production index (1960=100)	196.2	207.0	217.5	161.3	172.7
Net agricultural production index (1960=100)	144.4	144.6	134.7	123.3	124.4
Total labor force (including the armed forces), adjusted annual average (million persons)	124.2	126.0	123.1	86.9	89.0
Nonagricultural, adjusted annual average (million persons)	86.7	89.1	92.1	75.7	73.2
Agricultural adjusted annual average (million persons)	37.6	36.9	36.0	4.5	(2)
Total investment index (1960=100)	196.3	208.7	223.2	146.7	(2)
Per capita consumption index (1960=100)	147.3	153.5	153.7	135.9	(2)

[1] Based on appropriate chapters in this volume. See also annex A of Peter G. Petarson, "United States-Soviet Commercial Relationships in a New Era," Department of Commerce, August 1972.
[2] Not available.

PROBLEMS AND PROSPECTS

The economic record for 1972 was one of the worst since the First Five-Year Plan was introduced. It may be that the economy cannot recover rapidly enough to meet even the major goals for the Ninth Five-Year Plan. However, we should be cautious in interpreting the likely shortfall in the current plan. First, the Soviet economy tends to revive rapidly from years of poor performance, especially when weather is a major adverse factor. Second, the Soviet economy may average a growth rate of 4–5 percent per annum for the Five-Year Plan period (1971–75) and still fall short of planned targets. Although disappointnig, that rate of growth would provide considerable additional resources for the programs the Soviet leadership wishes to emphasize.

Regardless of the level of performance in the next several years, the Soviet leadership would doubtless prefer to expand their economy at a more rapid rate during the Ninth and Tenth Five-Year Plans, i.e., during the 1970s. A number of factors will influence the likely performance of the Soviet economy. The following is a partial list of prescriptions for improved economic performance:

Reduce military claims on resources and speed the transfer of human and capital resources released from military programs to civilian production.

Streamline planning institutions and management mechanisms to meet demands.

Expand commercial relations with developed nations to facilitate technology transfers.

In order to meet the above prescriptions the Soviet leadership may have to be far more flexible in their policies than history suggests is likely. Deemphasis of the military and heavy industry run counter to the entrenched interests of important segments of the Soviet elite. Significant changes in planning and management would result in a diffusion or redirection of economic power and control in the Soviet system. Thus the economic role of the Party might be at stake. Changes in relations between the Soviet economy and the non-Communist world might mean renouncing the Stalinist concept of autarky and isolation and joining the international commercal and financial community. Thus, the political costs for improved economic performance might be high, perhaps too high. Those who choose to extrapolate past performances—most of the authors in this volume—would expect little major change in internal priorities and scant economic reforms. Others, however, argue that a turning point in foreign economic relations has been reached. Perhaps we should not discount the prospects for significant change in the Soviet domestic economy.

WE MUST REMOVE DANGER OF NERVE GAS FROM OUR CITIZENS

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, one-fiftieth of a drop of nerve gas known as GB, is enough to kill an adult human being within minutes of contact with his skin. The nerve gas VX is purported to be several times more powerful. In 1968 we saw thousands of sheep in northwestern Utah twitching in slow death upon exposure to nerve gas inadvertently sprayed from an airplane at the Dugway Proving Grounds. Yet, despite assurances from the Army 4 years ago that great amounts of nerve gas would be detoxified, very little has, in fact, been neutralized. Approximately 463,000 gallons of GB remain stored at the Rocky Mountain Arsenal, while the Tooele Army Depot is a primary storage site for bombs, shells, and tanks filled with VX gas, as well as GB.

Continued storage of deadly nerve gas in this country is barbaric. To threaten the lives of millions of our citizens for some theoretical and questionable use against a supposed enemy is unconscionable. It is time to seriously examine the National Security Council policy of stockpiling nerve gas.

Recently, upon discovery that the Army continues to store quantities of several nerve agents at the Rocky Moun-

tain Arsenal, Congressman ARMSTRONG, of Colorado, issued a press statement criticizing the Army for failing to rid Denver of the threat of accidental exposure, and calling for immediate transfer of the agents to what he called a less hazardous location—the Tooele Army Depot in my district. We in Utah are totally opposed to that suggestion and, if I read the statute governing shipment of such agents correctly, without Utah's explicit approval, such shipment would be illegal.

My concern has not stopped with seeing that Utah does not become the dumping ground for these agents, however. I have devoted considerable time to investigating the circumstances which led to the stockpiling of the agents at the Rocky Mountain Arsenal and Tooele Army Depot. Within the last week I toured and was briefed at both of those facilities.

Even though a National Academy of Sciences panel recommended in 1969 that the 21,000 M–34 bombs be destroyed in place at the arsenal, and the Army promised to do so, all 21,000 bombs remain at the arsenal with destruction only recently scheduled to begin this fall and to be completed 33 months later. Detoxification of mustard gas, also stored at the arsenal, finally began in September 1972 and will not be completed until September 1974. In the meantime, with many of these agents stored above ground 1 mile from the Denver airport, a plane crash could theoretically annihilate the city of Denver.

At Tooele, which the Army acknowledges to be a primary site for nerve agents in the United States, bombs, barrels, and 155 millimeter shells are stockpiled for the purpose of "providing a deterrent to the possibility that the enemy might use their nerve agents on us." What kind of a deterrent can nerve gas be, when we have such dreadfully destructive nuclear weapons in our arsenal? At Tooele, for example, there are no facilities to use the nerve gas there stored. In case of need, the Army would have to transport the gas from Tooele Army Depot to Dugway Proving Grounds airstrip 50 miles away, then it would have to be flown back to Denver—from where it originated—and transported to the Rocky Mountain Arsenal. There it would be placed into bombs, shipped back to the airport, and transported to the war zone. The whole concept of that procedure deluding anyone from anything is ludicrous.

A recent editorial in the New York Times aptly states the case:

> No doubt the Army would find it extremely difficult to ship the stuff elsewhere. The alternative is to destroy it. It is arrogant nonsense to pretend that the country needs nerve gas to deter its possible use by an enemy, as though a whole arsenal of hydrogen bombs were not deterrent enough for any weapon an enemy might choose. Without even that pretext, there is no rationale for poison gas at all, since there is no question that it would be as dangerous to our own side in war as it is in peace—a deadly threat to Americans in the field.

I want to make clear that my concerns go to the policy questions involved. The Army, as near as I can ascertain, is faithfully performing its function of storage under maximum safety conditions. Civilian public officials must make the policy decision.

I have written Chairman HÉBERT of the House Armed Services Committee, requesting hearings to explore thoroughly the national policy which requires stockpiles of nerve gas in this country. If there is any justification for the policy—and no credible justification has ever been given—it is incumbent upon the President, the Secretaries of Army and Defense, and the National Security Council to explain why we need nerve gas in our arsenal. They must justify or detoxify.

In addition, I have requested that the Secretary of Defense direct that the nerve gas agents already scheduled for destruction be destroyed as quickly as possible. I understand that a major detoxificaiton unit is under construction at the Tooele Army Depot, and have asked rapid completion of that facility.

The danger to the people of Utah, and to other citizens of this country posed by the nonsensical policy of storing nerve gas, in fear of a virtually nonexistent threat, must not continue. Nerve gas is not an adequate deterrent. Our other weapons of war pose a far more potent threat to enemies, real or imagined, and would be far more quickly dispatched. We must act now to remove this danger to our citizens.

THE MULTIPROTECTION OF EMPLOYEE RETIREMENT INCOME AND TRUST ACT

(Mr. ERLENBORN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ERLENBORN. Mr. Speaker, for several years now, the General Subcommittee on Labor, where I serve as the ranking minority member, has been seeking a solution to a problem which troubles many Members of Congress: How to provide Americans with greater protection of their pension benefits. Early in this process, we learned that the subject is deserving of congressional attention but is of such complexity that there was no simple legislative remedy. Our watchword has been that of the carpenter to his apprentice: Measure twice, and cut once.

Thus, we have been measuring and weighing the many factors involved, and a pattern of sorts has taken shape. This pattern has been incorporated into a bill being introduced today by nine of us from the Education and Labor Committee. Cosponsors are Mr. QUIE, Mr. HANSEN of Idaho, Mr. KEMP, Mr. SARASIN, Mr. HUBER, Mr. DELLENBACK, Mr. STEIGER of Wisconsin, and Mr. TOWELL of Nevada.

Our proposal, the Multiprotection of Employee Retirement Income and Trust Act, attempts to assure that people get the pensions they have worked for. Some people have not, and we want to right that wrong. At the same time, we have kept in mind the enormous growth of pension and profit-sharing plans—and the millions of people who have benefited from them—since World War II; and we want to encourage more employers to plan pensions for their workers.

More pensions and greater assurance that workers will get their pensions—we look upon these as attainable goals; and we look upon our merit bill as a sound means for achieving these goals.

Numerous other pension bills have been introduced. All have similarities, but they have differences in three areas: First, which plans should be covered, second, which agency should regulate them, and third, which of six aspects of pension legislation should get the most emphasis.

The six aspects are disclosure, regulation of fiduciaries, vesting, funding, portability, and termination insurance.

A section-by-section analysis of the merit bill follows, but certain features warrant highlighting.

COVERAGE

As with most pension proposals, coverage differs from title to title; but the merit bill would regulate most public and private pension and welfare plans. The exceptions are Federal plans, plans required under workmen's compensation, unemployment compensation, and disability insurance laws; and plans with fewer than 26 participants. For the most part, those areas not covered by our proposal would remain subject to State laws.

ADMINISTRATION

All of the provisions of the merit bill would be administered and enforced by the Secretary of Labor. Our bill would not change the fact that pension and profit-sharing plans must comply with Internal Revenue Service regulations in order to qualify for tax deductions. However, encouragement would be provided for cooperation among Federal agencies to avoid unnecessary duplication and undue expense.

DISCLOSURE

The merit bill would require that workers be told of their pension and welfare rights and the condition of their plan in terms that are understandable to them. It also would require that the Labor Secretary be informed annually about these matters.

Reports to the Secretary, as in other bills, would include schedules of party-in-interest transactions and loans and leases in default; but pains have been taken to assure that reporting and disclosure would be meaningful.

Except for an annual audit and descriptions of plans—as well as amendments to them—reporting to the Secretary by plans with fewer than 100 participants would not be required.

Additionally, our proposal would provide that all defined-benefit pension plans—in which a worker is promised a certain amount per month upon retirement—must submit annual funding reports to the Secretary.

Every pension and profit-sharing plan would have to file an application with the Secretary of Labor for qualification and registration. A certificate would be issued and continued in force so long as the eligibility, vesting and funding requirements are met.

FIDUCIARIES

All who have studied pension plans are surprised to learn that some elementary kinds of honesty are not required of fiduciaries—people who manage trust funds. Most of the pension bills before Congress would try to correct these deficiencies, and the merit bill differs only slightly in this regard.

Like S. 4, as proposed by Senators WILLIAMS and JAVITS, our bill would allow certain exceptions with regard to the investments of profit-sharing plans.

VESTING

As a worker's seniority on the job goes up, he may gain progressively greater pension rights, called vested rights because they may not be taken from him.

Each of the other major pension bills proposed one of three ways of vesting. The MERIT bill embraces all three.

Our studies have graphically illustrated that the effect of a particular vesting standard on individuals varies from plan to plan, depending upon a myriad of factors. So does the cost of vesting. For these reasons, the MERIT bill would allow the plan to choose a graded 15-year vesting, a 10-year vesting, or the rule of 50, whichever best fits the needs of the pension beneficiaries.

The graded 15-year rule assures a worker of 30 percent of his pension rights after 8 years' services, rising by 10 percent per year until it reaches 100 percent after 15 years on the job.

The 10-year rule would require that a worker get a fully vested interest after 10 years on the job.

Under the rule of 50, pension rights would be 50 percent vested when the worker's age plus his years of service equals 50. Then his vested interest would increase by 10 percent for each additional year on the job until it reaches 100 percent.

Again like the Williams-Javits bill in the other body, the MERIT bill would make vesting effective 2 years after enactment; and vesting would be retroactive to the extent of a covered worker's past service at that date.

FUNDING

As an employee works toward retirement, his pension is funded if a proportionate part of his pension is paid regularly into the reserve. Thus, when he becomes ready to retire, his pension would be ready for him. There would be no need to pay his pension out of current income—or, in the case of a public employee, out of current taxes.

We know that there are single-employer plans, multiemployer plans, private plans, and public plans. The MERIT bill intends that they all be funded, but would not force all of these plans—with their many differences—into the same mold.

The minimum funding standard proposed in the MERIT bill is much like that required by the accounting profession for financial statements. In a defined benefit plan, this translates into annual minimum contributions by the employer equal to present cost plus 40-year amortization of the unfunded accrued liabilities of all benefits provided by the plan.

In most plans, "benefits" refers to retirement income, but it also may include disability, survivor, or other benefits.

At the same time, our bill recognized that vested benefits should be funded. Our standard contains a simplified calculation which would automatically spread over a period of time the remaining unfunded vested liabilities, including both actuarial gains and losses.

Actuarial predictions are not perfect. The MERIT bill takes cognizance of this by requiring that actuarial gains and losses be spread over the entire future working life of employees in the plan.

The bill would permit flexibilities which appear to be absent from other proposals. For example, contributions by the employer in excess of the minimum required could be used to offset future minimum contributions.

Additionally, present law limits tax deductions on employer contributions for past service. If the annual minimum contribution required under the bill would exceed that for which a tax deduction could be taken, the excess could be carried over. In this way, the minimum contribution would always be tax deductible.

Importantly, the MERIT bill would not disrupt present accounting and actuarial practices.

PORTABILITY

A pension is portable if a worker who leaves one job for another can take his accumulated pension rights with him.

Most multiemployer pension programs handle portability as a matter of course; but single-employer plans are so diverse that they could comply with a portability law only with extreme difficulty.

Good vesting makes a portability law unnecessary, but workers should have a means to facilitate the recordkeeping of their vested benefits. The MERIT bill would require a pension plan administrator to give each terminating worker a statement of the employee's benefits, and the procedure for collecting them. This information also would be reported to the Government. When the employee applies for social security benefits, he would also get notice of the pension benefits he has acquired during his or her working life from various employers.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED MULTIPROTECTION OF EMPLOYEE RETIREMENT INCOME AND TRUST (MERIT) ACT

(Introduced by U.S. Reps. John N. Erlenborn, Albert H. Quie, Ronald Sarasin, et al., July 12, 1973)

PURPOSES

The purposes of the proposed Multiprotection of Employee Retirement Income and Trust Act are: (1) to establish minimum standards of fiduciary conduct for plan trustees and administrators, to provide for their enforcement through civil and criminal means, and to require expanded reporting of the details of a plan's administrative and financial affairs; and (2) to improve the equitable character and soundness of private pension plans by requiring them to: (a) vest the accrued benefits of employees with significant periods of service with an employer; and (b) meet minimum standards of funding.

Sec. 2. Finding and Declaration of Policy.

Sec. 3. Definitions:

1. Employee Welfare Benefit Plan.
2. Employee Pension Benefit Plan.
3. Employee Benefit Plan (or Plan).
4. Registered Plan.
5. Individual Account Plan.
6. Profit-Sharing Plan or Profit-Sharing Retirement Plan.
7. Stock Bonus Plan.
8. Thrift or Savings Plan.
9. Employee Organization.
10. Employer.
11. Employee.
12. Participant.
13. Beneficiary.
14. Person.
15. State.
16. Commerce.
17. Industry or Activity Affecting Commerce.
18. Secretary.
19. Party in Interest.
20. Relative.
21. Administrator.
22. Qualified Actuary.
23. Multiemployer Pension Plan.
24. Unaffiliated Employer.
25. Fiscal Year of the Plan.
26. Separate Account.
27. Adequate Consideration.
28. Security.
29. Fiduciary.
30. Current Value.
31. Present Value.
32. Nonforfeitable Pension Benefit.
33. Accrued Portion of the Regular Retirement Benefit.
34. Regular Retirement Benefit.
35. Unfunded Accrued Liability.
36. Advance Funding Actuarial Cost Method.
37. Actuarial Loss.
38. Actuarial Gain.
39. Present Value of an Annuity Certain Due.
40. Normal Service Cost or Normal Cost.
41. Accrued Liability.
42. Funding.
43. Investment Company not a Fiduciary.

Title I—Fiduciary Responsibility and Disclosure.

Sec. 101. Coverage

Title I would cover all private and public pension and welfare plans, except:

1. Federal plans;
2. plans required under workmen's compensation, unemployment compensation, and disability insurance laws;
3. plans covering 25 or fewer participants;
4. plans established or maintained outside the United States for the benefit of workers who are not U.S. citizens, and
5. executive deferred compensation plans.

Sec. 102. Duty of Disclosure and Reporting.

The administrator of a pension or welfare plan would be required to publish to each participant or beneficiary a description of the plan as set forth in section 103 and a summary of the annual financial report as set forth in section 104. The report would be in such form and detail as the administrator finds necessary to disclose fully and fairly all pertinent facts.

Upon termination of a pension or welfare plan, the administrator would be required to file a special terminal report as prescribed by the Secretary of Labor.

Sec. 103. Description of the Plan.

Plan descriptions would be required to be published within 150 days after the establishment of a plan or within 150 days after a plan becomes subject to this title, whichever is later. Amendments to plans would have to be published within 270 days, and descriptions would have to be republished at least every five years. The description would have to be comprehensive and written in a manner calculated to be understood by the average plan participant. Among other things it would have to include: the name and address of the administrator; and the schedule of benefits; a description of the plan's vesting provisions; the source of the plan's fi-

nancing; and the procedures to be followed in presenting claims for benefits as well as those for appealing claims which are denied.

Sec. 104. Annual Reports.

An annual financial report to the Secretray of Labor would be required by this section for all plans with 100 or more participants. Information required in the report would include:

An audit and opinion by an independent qualified public accountant (with exceptions for public plans and when financial statements are certified by a bank or insurance carrier);

The number of employees, benefits paid, and information fiduciaries, trustees and administrators and compensation paid them;

A summary financial statement of assets and liabilities;

A summary of receipts and disbursements;

A schedule of all assets listed by issuer;

A schedule of known party-in-interest transactions;

A schedule of loans which are in default and uncollectible;

A schedule of leases which are in default and uncollectible;

A bank or insurance carrier statement of assets and liabilities for common and collective trusts.

If some or all of the plan's assets are held in common or collective trust maintained by a bank or similar institution or in a separate account maintained by an insurance carrier, the bank or carrier would also be required to file a statement of assets and liabilities.

If some or all of the benefits under the plan are provided by an insurance carrier or other organization, such report would also have to include: The premium rate or subscription charge and the total premium or subscription charges paid to each carrier and the approximate number of persons covered by each class of benefits; the total premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such carriers; or, if separate experience ratings are not kept, a statement as to the basis of a carrier's premium rate or a copy of the financial report of the carrier.

In addition to the required financial information, each plan would have to provide a copy of its most recent actuarial report.

Sec. 105. Publication and Disclosure.

The Secretary would be authorized to reject any report which after a hearing before him was found to be incomplete or to contain a qualified opinion by an accountant or an actuary.

A copy of the plan description and each annual report would have to be filed with the Secretary of Labor who would make them available for inspection in the public document room of the Department of Labor. The administrator would be required to make copies of the annual report and plan description as well as the bargaining agreement, and trust instrument creating the plan available for examination by any plan participant or beneficiary in the administrator's principal office, and in such other places as necessary to fully and fairly disclose all pertinent facts.

All pension and welfare plan participants would be furnished with a copy of—

The plan description initially and at the time of amendment, including:

A schedule of benefits,

Eligibility and vesting provisions,

Claim procedures and remedies,

Basis of financing,

Other relevant plan provisions affecting their rights and the annual report, including:

A summary financial statement of assets and receipts and disbursements,

The ratio of assets to value of nonforfeitable pension benefits.

Upon written request to the plan administrator, a participant could receive a copy of a statement as to his or her rights and the amount of any nonforfeitable benefit; and a copy of the plan, trust, bargaining agreement or other document. These copies would be furnished at the cost of reproduction.

Upon termination, all pension plan participants would receive a statement showing his or her benefits, indicating when and how they may be claimed, and including any other information affecting their rights.

A statement of a pension plan participant's right to deferred vested benefits from former pension plans would be furnished upon request to the Social Security Administration and when action is taken on the participant's Social Security account. To assure timely filings and payment of vested benefits, the address and identity of all plans would be kept up-to-date.

Sec. 106. Enforcement.

Any person who willfully violates the disclosure provisions of this act would be subject to a fine of up to $1,000 and/or up to six months' imprisonment. An administrator's refusal to comply with reasonable written requests for disclosure information within 60 days would be subject to a fine of $50 per day.

Violation of the provisions dealing with the retention of records subjects a person to a fine of up to $5,000 and/or imprisonment of up to two years. Violations of the provisions of 111(b)(2) (dealing with prohibited transaction) would subject a person to a fine of up to $10,000 and/or up to five years' imprisonment.

This section would give the Secretary of Labor authority to investigate any plan. He would be given authority to demand sufficient information as he may deem necessary to enable him to conduct his investigations.

Plan participants, beneficiaries, or the Secretary of Labor on behalf of the participants and beneficiaries would be allowed to bring civil actions to redress breaches of a fiduciary's responsibility or to remove a fiduciary who has failed to carry out his duties. The Secretary would also be empowered to bring an action to enjoin any act or practice which appears to him to violate the title. Civil actions brought by a participant or beneficiary may be brought in any court, State or Federal. However, the Secretary would have the right to intervene in a case and remove it to a Federal district court. In any actions by a participant or beneficiary, the court could, at its discretion, allow reasonable attorneys fees and costs of action to either party.

Class actions shall be brought where requirements for class actions can be met.

Sec. 107. All reports filed with the Secretary of Labor shall be public information.

Sec. 108. Detailed records must be retained for six years.

Sec. 109. Proven reliance upon a regulation or written interpretation by the Secretary of Labor would constitute a defense in a criminal or civil proceeding under certain sections of the act.

Sec. 110. Every person subject to the fiduciary provisions of the act would have to be bonded.

Sec. 111. Fiduciary Responsibility.

This section would deem every employee benefit fund to be a trust held for the exclusive purpose of providing benefits to participants and their beneficiaries as well as defraying reasonable administrative expenses. Each plan would have to be in writing.

A fiduciary is defined in section 3(29) as anyone who exercises any power of control, management or disposition with regard to a fund's assets or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries would be required to discharge their duties with respect to the fund ". . . solely in the interest of the participants and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

A fiduciary would also have to diversify the investments, except in the case of profit-sharing, stock bonus, or thrift and savings plans, so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so and in accordance with the documents and instruments governing the fund.

A fiduciary would be specifically prohibited from making the following transactions:

Dealing with such fund for his own account.

Acting in any transaction involving the fund on behalf of a party adverse to the interests of the plan or participants.

Receiving personal consideration from any party dealing with the fund in connection with a transaction involving the fund.

Transferring property to any party in interest for less than adequate consideration.

Permitting the acquisition of property from any party in interest for more than adequate consideration.

SEC. 112. Certain persons convicted of crimes may not serve as officers, administrators, trustees, or paid consultants.

SEC. 113. Pension Plan Termination.

An equitable priority distribution of assets would be provided upon plan termination. Assets not previously allocated to individual accounts would have to be distributed according to the following priorities:

(a) contributions by employees would be returned;

(b) those presently receiving benefits and those who could voluntarily elect to receive benefits;

(c) those other than in (b)—to the extent of their vested benefits;

(d) all others, including the non-vested benefits of those in (c).

Benefit increases within the five years prior to plan termination would trigger an allocation based on the prior benefit formula, any remaining assets being distributed on the basis of increases in the more recent benefit formulas.

(e) Investment income attributable to employee contributions would be distributed pro rata to the employees' accounts.

(f) Any benefit liabilities incurred as a result of plan termination would be given last priority.

(g) Any remaining assets would be returned to the employer if the plan so provides; otherwise, they would be distributed pro ratably to the employees.

SEC. 114. A 15-member Advisory Council on Employee Welfare and Pension Benefit Plans would be established.

SEC. 115. All State laws would be pre-empted except for those covering plans not subject to this title.

SEC. 116. The Welfare and Pension Plans Disclosure act would be repealed upon the effective date of the MERIT act, which would be six months after enactment.

TITLE II—VESTING AND ELIGIBILITY REQUIREMENTS

SEC. 201. Coverage.

Title II would cover all private and public employee pension benefit plans including profit-sharing plans which provide benefits after retirement, except:

1. Federal plans;

2. Keogh plans benefiting the self-employed and owner-employees;

3. plans covering 25 or fewer participants;

4. plans established or maintained outside the United States for the benefit of workers who are not U.S. citizens, and

5. executive deferred compensation plans.

SEC. 202. Eligibility Requirements.

No plan, after the effective date of this title, would be allowed to require as a condition for eligibility to participate in it an age greater than 25 or a period of service longer than one year (three years for plans which provide for immediate 100% vesting or for crediting of all preparticipation service for benefit purposes), whichever is the later. Existing plans would be permitted to

retain their eligibility requirements for three years or until they are amended, whichever is sooner.

SEC. 203. Nonforfeitable Benefits.

Every pension plan would be given a choice of one of three vesting rules:

1. Ten-Year Service Rule (100% vested at 10 years of covered service);

2. Graded Fifteen-Year Service Rule (30% vested at eight years of covered service, such percentage increasing by 10% each year until 100% is reached after 15 years of covered service);

3. Rule of 50 (50% vested when age plus covered service equals 50, such percentage increasing by 10% each year until 100% is reached).

The vesting rules use a fully retroactive service provision in calculating the vesting percentage and the amount of the accrued portion of the regular retirement benefit. A plan would be permitted to change vesting rules at any time if provision is made that vested benefits not be reduced or delayed for participants in the plan at the time of change. A plan would always be permitted to allow for vesting of benefits after a lesser period and in a greater amount than is required under any of the three vesting rules.

Class year profit-sharing plans

Class year plans would be required to vest 100% of the employer's contribution no later than five years after the contribution was made.

Covered service

In computing the period of covered service under a plan, an employee's entire service with the employer contributing to or maintaining the plan shall be considered. However, service prior to age 25, service during which the employee declined to contribute to a plan requiring employee contributions, service with a predecessor of the employer contributing to or maintaining the plan (except where the plan has been continued in effect by the successor employer), service broken by periods of suspension of employment (provided the rules governing such breaks in service are not unreasonable or arbitrary), and service where a participant has previously attained a 100% nonforfeitable right may be disregarded.

Contributory plans

No plan may provide for forfeiture (1) of any employee contributions unless agreed to in writing, or (2) of the accrued portion of the regular retirement benefit to the extent that such portion is nonforfeitable and is attributable to employer contributions.

Lump sum distributions

Preferential treatment of voluntarily terminated employees to plan assets would be precluded since one or more lump sum distributions of the present value of nonforfeitable benefits could be made only to the extent that they had been funded.

Social Security offset plans

Any pension plan with a Social Security offset feature would be required, at the time of the first plan amendment, to provide that the amount of any offset net increase (1) for participants receiving benefits and (2) after the date of termination of a vested participant.

SEC. 204. Deferred Applicability of Vesting Standards.

Variances for up to five years could be granted by the Secretary to plans which could show that substantial economic injury would result from the full impact of this title.

SEC. 205. Distribution of Nonforfeitable Benefits To Terminating Participants.

Vested benefits to participants terminating before 65 would have to be distributed, at the option of the participant, at regular retirement age. The plan may provide that such age be not less than age 60. Survivor annuity and other options offered by a plan to normal retirees would have to be extended to all terminated vested participants.

SEC. 206. Determination of Accrued Portion of Regular Retirement Benefit.

The accrued portion of the regular retirement benefit for a vested participant would be calculated at the time of the participant's termination.

SEC. 207. Effective Date.

The effective date of this title would be two years after enactment. Collectively bargained plans would be extended up to 30 additional months to conform their bargaining agreements to this title.

TITLE III—FUNDING

SEC. 301. Coverage.

Title III would cover all private and public employee pension benefit plans covered under title II except for profit-sharing and other individual account plans.

Sec. 302. Minimum Funding Standard.

Public pension plans

Public plans covered under title II would initially have to meet a minimum funding standard equal to normal cost plus 50% of a percentage (similar to 40-year amortization) of the remaining unfunded accrued liabilities for all plan benefits. The initial 50% would be increased by 5% per year until 100% is reached after 10 years from the effective date. This method would permit a continuous re-spreading of the remaining unfunded accrued liabilities (including any actuarial gains and losses).

Multiemployer pension plans

Multiemployer pension plans would have five years from the effective date to meet the minimum funding requirement equal to normal cost plus a percentage (similar to 40-year amortization) of the remaining unfunded accrued liabilities for all plan benefits. Ten years after the effective date, multiemployer plans would have to meet the full minimum standard as given below.

All other plans

Every pension plan subject to title III (other than the above) must make annual minimum contributions equal to:

1. Normal cost plus 40-year amortization of unfunded accrued liabilities for all plan benefits; any accumulated actuarial gains and losses would be spread over the future service of active participants; or, if larger,

2. A percentage of the unfunded portion of the present value of the nonforfeitable pension benefits. The unfunded portion would be recalculated each year so that an interest assumption of 5% would reduce the remaining unfunded portion by about 7.6% per annum or by about 80% in 20 years or 92% in 30 years.

Contributions made in excess of the minimum could be used to offset future minimum contributions, thereby permitting funding flexibility. Required minimum contributions in excess of tax deductible limits would be permitted to be carried over to succeeding years where tax deductions would be allowed.

Sec. 303. Funding Status Reports.

An annual report would be required to be filed with the Secretary of Labor containing the amount of the minimum contribution, an opinion by a qualified actuary, and the amount of the actual contribution for the plan year.

Sec. 304. Enforcement of Funding Requirements; Variances.

Application would have to be made to the Secretary for a waiver of part or all of a minimum funding contribution. Benefits coud not be increased until all such waived contributions had been paid off. After five waivers in a 10-year period, the Secretary could, after notice and hearing, order the termination of the plan or the merger of the plan with another plan of the employer. Benefits could not be increased by amendment during a period of waiver.

Sec. 30. Merger Requirements.

Pension plan mergers could not result in a reduction of benefit security to any plan participant.

Sec. 306. Effective Date.

TITLE IV—REGISTRATION, ENFORCEMENT, AND MISCELLANEOUS PROVISIONS

Sec. 401. Registration of Plans.

Within six months after the effective date of titles II and III, each pension and profit-sharing plan would have to file an application with the Secretary of Labor for qualification and registration. Plans established after that date would have six months in which to file such application. Plan amendments similarly would have to be reported to the Secretary. A certificate would be issued and continued in force so long as the eligibility, vesting, and funding requirements of the act are met.

Sec. 402. Enforcement of Registration.

The Secretary of Labor may seek a court order to secure compliance whenever a determination is made that no application for registration has been filed, that the application should be denied or the registration cancelled, or that a plan has failed to make the required contributions or to pay such other assessments or fees as are required.

Sec. 403. A Variation Appeal Board would be established to hear and determine appeals from decisions denying grants of variations under sections 204 and 304.

Sec. 404. Investigations.

This section would give the Secretary authority to conduct such investigations as may be necessary to determine whether any person has violated or is about to violate any provisions of title II or III or any rules or regulations which would result from enactment of titles II and III. Information about such investigations would be made available to any interested person and included in an annual report by the Secretary.

Sec. 405.—Civil Enforcement

The Secretary would be empowered to bring an action to enjoin any act or practice which appears to him to violate title II or III. Plan participants or beneficiaries would be allowed to bring civil actions in any court, State or Federal, to recover benefits due by reason of title II or to clarify his rights to future benefits under such title. The Secretary would have the right to intervene in a case and to remove it to a Federal district court. In any action by a participant or beneficiary, the court could, at its discretion, allow reasonable attorneys fees and costs of action to either party.

Sec. 406.—This section directs the Secretary to conduct research relating to the effects of the act, the role of private pensions, the operation of public and private pension plans, and methods to encourage the growth of the private pension system.

Sec. 407.—The Secretary would be required to submit an annual report to the Congress covering his administration of the act.

Sec. 408.—This section would authorize the Secretary to prescribe such rules and regulations as he finds necessary to carry out the provisions of titles II, III and IV.

Sec. 409. Other Agencies and Departments

The Secretary would be authorized to enter into agreements that would avoid unnecessary expense and duplication and would permit cooperation among government agencies in performing his functions under title II, III or IV. He would also be authorized to reimburse other Federal agencies for facilities or services he utilized in doing so. The Attorney General would be authorized to receive such evidence as developed by the Secretary which may be found to warrant consideration for criminal prosecution.

Sec. 410. Administration

Chapters 5 and 7 of Title 5, United States Code (relating to administrative procedure) would be applicable to this act.

No employee of the Department of Labor would be able to administer or enforce the act with respect to any employee organization of which he is a member or employer organization in which he has an interest.

Sec. 411. This section would authorize to the Secretary such sums as may be necessary to carry out this act.

Sec. 412. Interference with the rights protected under the act would be unlawful. The provisions of sections 404 and 405 would be applicable in the enforcement of this section.

Sec. 413. Any person who used coercion to interfere with the rights protected under the act would be subject to a $10,000 fine and/or imprisonment for up to one year.

Sec. 414. All State laws would be pre-empted except for those covering plans not subject to titles II and III.

Sec. 415. If any provision of this act were held invalid, the remainder of the act would not be affected.

Sec. 416. The provisions of title IV would become effective upon the date of enactment.

GASOLINE SHORTAGE

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VANIK. Mr. Speaker, on July 10, 1973, the Mobil Oil Corp. published in the Cleveland Plain Dealer a paid open letter on the gasoline shortage addressed to me and three other members of the congressional delegation from the Cleveland area. This same letter-advertisement appeared in newspapers in every congressional district of America at a cost in excess of $200,000.

The purpose of the Mobil letter is to discredit those in and out of Congress who have alleged manipulations of gasoline supplies to create shortages, higher prices, the relaxation of environmental protection standards, and the squeeze of the small independent retailer out of business.

My reply to the Mobil open letter is as follows:

There is no question that America and other nations must reckon with intensive and increasing demands for oil and natural gas. Demand is also increasing for minerals and for agricultural products including meat and fibers. It is the responsibility of our citizens and our government to anticipate our needs and to plan for them.

How did we so suddenly move from adequacy to shortage in oil and gas? First of all, a larger population and a growing number of homes and automobiles increased demands for more fuel. But this growth in our needs for both oil and gas should have been readily calculated.

What other factors led to the shortage? The biggest culprit is the ill-conceived government programs which the petroleum industry imposed on the American people by insisting on tax laws and oil policies which accelerated the depletion of domestic sources. In my second speech in Congress in 1955, I urged the utilization of foreign oil to maintain our supplies in reserve for future years to insure domestic oil supplies in the event that foreign supplies were cut off. I urged the government purchase of petroleum reserves for these purposes.

The domestic oil industry resisted the importation of foreign oil for over twenty years and insisted on a quota system to suppress the movement of foreign oil into this country. The industry said it was necessary in the national security to utilize domestic supplies—even to the point of exhaustion. This bad judgment of the industry was selfish and wrong and brought us to our present supply crisis. In almost twenty years, I can not recall Mobil Oil protesting the oil import quota policies.

1. Mobil contends that gasoline production is at an all time high. Probably true. The oil industry is making 5% more gasoline than last year—but—automobiles needed 6.2% more. Why didn't the industry try to prepare to meet this need? There was extensive unused capacity. Production was deliberately planned at levels below demand. This was an industry decision. In the future Federal laws may have to be designed to insure supplies sufficient to meet the need.

2. Mobil charges that political decisions produced the shortage. Mobile says that large offshore reserves are being kept out of production. This is not true. Drilling on the outer continental shelf has gone on at unprecedented levels. The Department of Interior has just announced offshore lease sales of $1.6 billion.

3. Mobil charges that although the largest oil field ever discovered in North America was found in Alaska—the construction of the pipeline has been stalled. The fact is that the Courts have stalled the pipeline project because it violated existing federal law.

Since the pipeline has not yet begun, it is well for us to consider a Trans-Canadian pipeline which would bring the oil and gas to Ohio. The west coast has oil sufficiency. The Midwest is in dire need. The very survival of our industrial community is dependent on this source of supply. Business, industry and people will move to where energy is readily available.

The Canadians are willing to discuss the middle America or Mackenzie Valley pipeline. This route would open up a wide area for additional oil and gas development to enter the pipeline.

Our Northern Ohio community developed the nation's first gas storage system, utilizing abandoned gas wells. The favorable contracts which our suppliers providentially acquired when gas was in surplus will soon be expiring. The future of Northern Ohio is directly linked to the Trans-Canada pipeline decision.

4. Some automobile pollution control devices do consume more gasoline. So do certain highly-powered automobiles. I am urging Detroit to produce more efficient automobiles by imposing a tax on large gas guzzlers beginning in model year 1977. Certain foreign manufactured automobiles provide over 30 miles per gallon. Some foreign autos have engines which already meet the air pollution standards of 1976. I do not believe that the petroleum crisis justifies an abandonment of air pollution standards which are essential to life and health.

5. It has not been proven that government regulatory policies have caused the shortage of natural gas. The shortage of natural gas results from its increased use and its easier compliance with anti-pollution standards. The regulatory policies were designed to protect the consumer from a price gouge.

The de-regulation of natural gas would multiply the value of supplies already discovered and developed. The price of gas in interstate commerce should be related to the cost of discovery and development. In a highly-concentrated industry, it is against the public interest to make the consumer the victim at a marketplace manipulated by a small number of large firms. De-regulation would double the cost of our gas for space heat.

Those who have discovered natural gas and oil in America have every reason to suppress the information on the extent of their available supplies. The suppression of discoveries or the extent of reserves is not a violation of the law—and such suppression can multiply the value of the discovery into a higher and higher price range. I believe that our reserves in both oil and gas have been grossly underestimated. There is an oil and gas crisis—but it is not as bad as the industry contends. The reserve supplies of both gas and oil must be carefully calculated by the government so that we can accurately assess the problem.

6. It is true that major exporting countries of the Middle East and North Africa have reduced supplies. We should endeavor to establish a consumer organization to negotiate with these countries. There is world demand for oil—but over the long term America is the largest potential consumer and it can negotiate from that strength.

7. Price controls may temporarily impede the importation of higher-priced oil products into the United States—but oil and gas products have not made a case for exemption or special treatment under our current price control policies.

Earlier this week seven major oil firms, including Mobil, were subpoenaed by a federal grand jury investigating gasoline pricing and marketing practices. This week the Senate voted to give the Federal Trade Commission added powers to combat anti-competitive practices in the oil industry. These actions suggest improprieties of a major dimension in the oil industry.

The oil industry must bear the major portion of blame for high prices and its failure to relate gasoline production to public needs. The oil crisis is serious and it is likely to grow worse. The oil problem is not primarily to blame for the gasoline shortages of this year. The lack of refining capacity is not attributable in any significant way to environmental delays. The staff of the Federal Trade Commission has indicated that major companies, acting in parallel, may be contributing to refining shortage by creating tremendous barriers to the entry of new firms.

It is the oil industry which must defend itself. Mobil cannot spread its blame on others.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT ISSUES ADVISORY OPINION RELATING TO MEMBERS' CLERK HIRE

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, in the July 11 meeting of the Committee on Standards of Official Conduct, the committee considered and ordered issued advisory opinion No. 2 relating to Members' clerk hire. The opinion issued under authority contained in House rules requires no House action, but it is a matter worthy of the attention of all Members. Copies of the opinion have been mailed to all Members and to all Members' administrative assistants, but to insure the widest possible dissemination of this expression I include the text of advisory opinion No. 2 at this point in the RECORD:

ADVISORY OPINION NO. 2: ON THE SUBJECT OF A MEMBER'S CLERK-HIRE

REASON FOR ISSUANCE

A number of requests have come to the Committee for advice on specific situations

which, to some degree, involve consideration of whether moneys appropriated for Members' clerk hire are being properly utilized.

A summary of the responses to these requests forms the basis for this advisory opinion which, it is hoped, will provide some guidelines and assistance to all Members.

BACKGROUND

The Committee requested the Congressional Research Service to examine in depth the full scope of the laws and the legislative history surrounding Members' clerk-hire. The search produced little in the way of specific parameters in either case law or congressional intent, concluding that ". . . no definitive definition was found . . .". It is out of this absence of other guidance the Committee feels constrained to express its views.

Clerk-hire allowance for Representatives was initiated in 1893 (27 Stat. 757). The law providing it spoke of providing clerical assistance to a Representative "in the discharge of his official and representative duties . . ." The same phraseology is used today in each Legislative Appropriations bill and by the Clerk of the House in his testimony before the Subcommittee on Legislative Appropriations. An exact definition of "official and representative duties" was not found in the extensive materials researched. Remarks concerning various bills, however, usually refer to "clerical service" or terms of similar import, thus implying a consistent perception of the term as payment for personal services.

SUMMARY OPINION

This Committee is of the opinion that the funds appropriated for Members' clerk-hire should result only in payment for personal services of individuals, in accordance with the law relating to the employment of relatives employed on a regular basis, in places as provided by law, for the purpose of performing the duties a Member requires in carrying out his representational functions.

The Committee emphasizes that this opinion in no way seeks to encourage the establishment of uniform job descriptions or imposition of any rigid work standards on a Member's clerical staff. It does suggest, however, that it is improper to levy, as a condition of employment, any responsibility on any clerk to incur personal expenditures for the primary benefit of the Member or of the Member's congressional office operations, such as subscriptions to publications, or purchase of services, good or products intended for other than the clerk's own personal use.

The opinion clearly would prohibit any Member from retaining any person from his clerk-hire allowance under either an express or tacit agreement that the salary to be paid him is in lieu of any present or future indebtedness of the Member, any portion of which may be allocable to goods, products, printing costs, campaign obligations, or any other nonrepresentational service.

In a related regard, the Committee feels a statement it made earlier, in responding to a complaint, may be of interest. It states: "As to the allegation regarding campaign activity by an individual on the clerk-hire rolls of the House, it should be noted that, due to the irregular time frame in which the Congress operates, it is unrealistic to impose conventional work hours and rules on congressional employees. At some times, these employees may work more than double the usual work week—at others, some less. Thus employees are expected to fulfill the clerical work the Member requires during the hours he requires and generally are free at other periods. If, during the periods he is free, he voluntarily engages in campaign activity, there is no bar to this. There will, of course, be differing views as to whether the spirit of this principle is violated, but this Committee expects Members of the House to abide by the general proposition."

POOR AMERICA!

(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, poor America. Newspapers now get prizes for publishing our country's secret papers. And those who stole the papers for them become heroes. We used to have a better word for them. We called them traitors.

One of many bad things to come out of Watergate is the dismissal of charges against Daniel Ellsberg who stole secret papers from Government files in the Pentagon and passed them on to left-wing publications. This traitorous act, for which Ellsberg was freed, establishes him as the new hero of the far left.

I have stated before, it is a sad commentary that in this country you can seldom convict a Communist. Whatever Ellsberg may be, he enjoys their support. They want the American system destroyed. They use the courts, the press and the schools.

In court cases in which they are interested it now is a custom to hold a big party for the jurors after the trial. This also seems to be a strange departure from correct principles of trial behavior. In the big party which was held for the jurors by the Ellsberg crowd—like the one held by the Angela Davis crowd—it was revealed that most of the jurors planned to free him anyway. Whether this was factual or drink that was talking was not revealed.

Roscoe Drummond in a very calm and orderly fashion dealt with the Ellsberg case in his column in the Christian Science Monitor on Thursday, June 7. He said:

One of the most worthy and welcome reforms from Watergate would be an end to the double standard of political morality which has been so visible in recent years.

The essence of the double standard is that many, particularly in politics, condone motives and acts as moral and justifiable which they condemn as immoral and unjustifiable when practiced by others.

Daniel Ellsberg was enthusiastically hailed as a national hero when he violated his oath not to disclose secret material entrusted to him. When he took private documents belonging to the government he was praised as a brave and honorable person on the ground that he put conscience ahead of his commitments and acted to serve what he deemed the public welfare.

But this standard of tolerance was not applied to those who acted from similar motives and in what they deemed the national welfare seeking to obtain the private papers of Ellsberg's psychiatrist. They were pervasively condemned as acting intolerably.

A double standard? So it seems to me.

FIFTIETH ANNIVERSARY OF NAVAL RESEARCH LABORATORY IN WASHINGTON

(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, on July 14, the Naval Research Laboratory will observe 50 years of service to the Navy and the Nation.

This is an observance well worth noting and an occasion well worth attending.

For the information of my colleagues, I am inserting in the RECORD the schedule of events as listed in "Labstracts" as well as some very interesting historical material which follows the growth of the NRL from its inception to the present day.

It is interesting to note it was the great mind of Thomas A. Edison which first conceived the need for a naval scientific staff, and in a sense, he was the first commanding officer of the Naval Consulting Board which drew up proposals for NRL in 1915.

Today, 50 years after Edison's dreams and 50 years after that dream became a reality, we will salute a half century of service by NRL.

The material follows:

NRL OPEN HOUSE, RECEPTION SCHEDULED FOR JULY 14

Saturday, July 14, will be a red-letter day at NRL. On that date an Open House and Reception will be held at the Laboratory to commemorate and to celebrate its 50 years of service to the Navy and the Nation. All NRL and ONR employees, their families and friends, and former employees are cordially invited to attend.

The Open House will be held from noon until 4:00 p.m., with the Reception to follow from 4:00 until 6:00 p.m. During the Open House portion of the events, a number of NRL's research facilities are scheduled to be open to visitors. Scientific demonstrations and displays of interest to a general audience are also being planned. A selection of open facilities and displays and demonstrations were published in an earlier *Labstracts* flier. This information will also be available at the Laboratory on the day of the event. For the July 14 celebration, a tent will be placed on the mall to house refreshment stands and an information booth. An additional information booth will also be operating in Building 222, which will be one of the main centers for Open House activities. Here will be located a multimedia slide presentation giving a general overview of the scope of the Laboratory's research effort, and a number of general NRL exhibits, as well as a special satellite and space science display. Selected films highlighting past and current Laboratory work and several general-interest scientific lecture/demonstrations will also be featured in the Auditorium of Building 222.

Busses will operate between the Laboratory and the Cyclotron Facility every fifteen minutes. The Yard Bus will leave the Main Gate every ten minutes.

The Reception portion of the event will be held in Building 28 (the Main Cafeteria) from 4:00 until 6:00 p.m. Drinks and light refreshments will be available. Both Capt. Sapp and the incoming Director of NRL, Capt. John T. Geary, and their respective families, will be on hand for the occasion and look forward to seeing members of the NRL family.

This day will be both educational and enjoyable for all concerned, so if at all possible, reserve Saturday, July 14, and come to the festivities!

THE NAVAL RESEARCH LABORATORY: 50 YEARS OF SCIENCE FOR THE NAVY AND THE NATION

On May 30 1915, the New York Times Magazine published an article in which the famed inventor Thomas Edison was quoted as saying that the Navy should have its own scientific staff "to sift the ideas of our inventive nation", and that it should have its own laboratory in which these ideas or in-

ventions could be tested and adapted to the Fleet.

Then-Secretary of the Navy Josephus Daniels read the article and was immediately struck by its pertinency to readying a Fleet for war. He wrote Edison asking him to recruit leading scientists to screen inventions submitted to the Navy. Edison promptly agreed and assembled 24 of the most recognized men in the scientific-engineering field. They adopted the title "Naval Consulting Board of the United States." One of the first matters taken up by the Board was the proposal to establish a research laboratory.

In 1916, Congress passed an appropriation for the laboratory, but World War I intervened and plans for the laboratory were temporarily set aside. At the end of the war, Board members and Navy officials selected the present site (southwest Washington, D.C.) for the laboratory. Ground was broken in 1920, and what is now known as the Naval Research Laboratory was formally dedicated "Naval Experimental and Research Laboratory" on July 2, 1923.

The Navy had three radio research groups in Washington and one studying underwater sound at Annapolis. These four groups, about 20 men in all, were moved to the new laboratory as its first employees. As it turned out, it was a remarkable cadre. It included Dr. A. H. Taylor, the Navy's Chief Physicist, and his assistants, L. C. Young and L. A. Gebhard—all destined for greatness in the fields of radio and radar, and Dr. Harvey C. Hayes, pioneer in underwater acoustics.

During World War I, war beneath the sea had become an awesome reality. Furthermore, wireless communications had made itself indispensable to the Fleet in 1917 and 1918. As a result, radio and sound research comprised the bulk of NRL's early research programs.

By 1930, by seeking higher frequencies and by adopting crystal control and continuous waves, NRL researchers achieved reliable radio transmission from places as remote as Australia and the South Pole. Some of the results of NRL's radio work included the development of the Taylor-Hulburt wave-propagation theory which changed thinking on how radio waves travel, the design and construction of control equipment for the United States' first successful radio-controlled aircraft, and the development of prototype radio direction finders and radio equipment for dirigibles and aircraft.

In 1922, while A. H. Taylor and Leo Young were at the Aircraft Radio Laboratory at the Anacostia Naval Air Station, they observed interference caused by a ship passing between a radio transmitter and receiver. In 1930, NRL's scientists observed radio reflections, in the form of "beats" from an aircraft in flight. Realizing that these discoveries had far-reaching implications, Taylor assigned further investigations to NRL's Radio Division.

Sometime in late 1933 or early 1934, Leo Young suggested the use of radio pulses for detection and ranging. Taylor assigned the task of building a pulse system to Young and Robert M. Page. In 1934, Page succeeded in building a transmitter and receiver that demonstrated for the first time that aircraft could be detected by radio pulses. In 1937, a prototype 200-megacycle radar system was installed on the destroyer USS Leary for testing.

In 1938, an improved model of the 200-megacycle radar, the XAF, was installed on the USS New York. Extensive trials at sea demonstrated radar's immense potential not only for aircraft warning, but for navigation and gunfire control. As a consequence of these events, the United States was able to equip 19 Naval vessels with production models of the XAF radar prior to entering World War II.

Meanwhile, NRL's research in underwater sound was providing the Navy with improved means for detecting and locating submerged submarines. By 1935, the Laboratory's studies had led to the development of wide frequency undersea echo-ranging equipment with a range of 1.5 miles. This was one of the antisubmarine devices that Admiral Doenitz, Commander of the German U–Boat fleet, cited as the major reason for Germany's failure in the Battle of the Atlantic.

In 1939, NRL undertook an investigative program in nuclear energy—the first U.S. government laboratory to do so. One result of that program was the development of a process for separating uranium isotopes. Some of the material thus produced was used for the atomic bomb.

But the A-bomb was not quite what NRL scientists had in mind. They were thinking of nuclear propulsion, and in 1946 an NRL engineering design for using nuclear power in submarines was forwarded to Navy officials.

During the second World War, the number of NRL's personnel increased from about 400 employees to 4,400; the amount of annual appropriation from $900,000 to $14,000,000, and the number of buildings from 23 to 67. In many cases, work was conducted around-the-clock to provide systems and equipment urgently needed for the Fleet.

Some accomplishments of far-reaching importance were: the development of the Plan Position Indicator for radar systems that permitted the plotting of a large number of targets simultaneously; compact radar units for aircraft, sonobuoys, radio direction finders and aircraft carrier homing beacons. Other "inventions-on-demand" included sea markers and shark repellants for shipwrecked seamen and downed flyers.

One example of NRL wartime "crash" research was the development of a countermeasure system for use against German radio-controlled bombs. Within 12 weeks of obtaining information on the bomb's guidance signals, NRL scientists built a successful countermeasure which not only jammed the bomb's guidance signals, but, on occasion, took control of the missiles and diverted them off course.

At the conclusion of the war, the Office of Naval Research (ONR) was established, and NRL was designated ONR's principal field activity.

The postwar accomplishments of the Laboratory are almost too numerous to mention individually. One example of NRL's pioneering exploits of the postwar period was the initiation of space research utilizing rockets.

When several captured German V–2 rockets were brought to this country, NRL scientists conceived the idea of installing scientific instrumentation in the rockets to make studies of the earth's upper atmosphere and the radiations from the sun and stars. This first successful launch of an instrumented V–2 was accomplished in 1946. The V–2s were later followed by the NRL-designed Viking rocket and other research rockets, such as the Aerobee.

In 1955, this varied experience in rocket research led NRL to be selected to head Project Vanguard. NRL scientists and engineers worked out specifications for the Vanguard rocket, developed a series of experimental satellites, and laid out a world-wide satellite tracking system. The first Vanguard satellite was successfully launched on March 17, 1958, and remains today as the oldest man-made object in earth orbit.

In 1951, in conjunction with a basic research program in radio astronomy, the world's first large precision radio telescope, a 50-foot diameter dish, was installed at NRL. In the same year, NRL's radio engineers initiated a program in radar astronomy utilizing a huge bowl-like depression in the ground measuring 263 by 220 feet as a radar telescope. In 1954, the Laboratory made history by using this device to bounce the first voice message off the moon.

In addition to accomplishments in basic science, NRL has made major contributions in applied research, such as: improved methods for controlling metal corrosion; the development of improved metals and metal coatings; and the determination of new procedures for testing and evaluating steel plate. These investigations have placed the Laboratory in the forefront of metals research not only in the United States, but in the world.

NRL's current research program encompasses most areas of the physical sciences. Research is not only performed for the Navy and the Department of Defense, but for other government agencies as well.

Some of NRL's more current research efforts include the development of experimentation for manned missions in space, such as the first lunar-based space observatory (Apollo 16), and experiments for the Skylab Program.

In addition to these programs, NRL also maintains active programs in satellite development and rocket astronomy. Nuclear scientists are utilizing facilities, such as a Cyclotron and Linear Accelerator, to perform studies ranging from trace element analysis to neutron therapy for cancer. NRL oceanologists, in the laboratory and in ships and aircraft spanning the globe, are conducting investigations in ocean science and engineering.

Studies in electronics are directed towards improving the radar, communication, navigation, and electronic countermeasures systems of the Fleet. Scientists are also at work developing new technologies in the fields of lasers, controlled fusion, and cryogenics. NRL chemists, metallurgists and solid state scientists are directing efforts towards the development of improved materials, lubricants and coatings. The list is endless.

Over the years, the Naval Research Laboratory has grown from a small plant occupied by a few dedicated scientists to one of the leading scientific institutions in the world. Today "The Navy's Corporate Laboratory" is continuing to provide knowledge not only for national defense, but for the betterment of all mankind.

ASSISTANCE TO LATIN AMERICA WILL CONTINUE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, 2 weeks ago the Foreign Affairs Committee adopted a technical amendment to the foreign aid bill which has given many the incorrect impression that Congress has terminated the Alliance for Progress. Nothing could be further from the truth. The amendment was purely a technical matter designed to make a particular section of the Foreign Assistance Act conform to the new functional structure which the committee is giving to our entire foreign assistance program. Chairman MORGAN issued a press release, immediately following the committee's action, expressing his assurances that our aid to the hemisphere will continue. In his statement, Chairman MORGAN said:

In order to avoid any possible public misunderstanding, and at the request of Committee Members, I want to make plain that the Fraser amendment does not have any effect on the proposed level of U.S. assistance under the Alliance for Progress.

The amendment merely changes the language in that part of my bill to conform with

the previous Committee decision to make an important reform in the way we administer overseas economic assistance. Under that reform, funds are being authorized by 'sector'—that is, by category of developing country problems generally such as food, education, population planning needs, etc.—rather than according to any specific country or area.

Thus the amendment deleting the specific reference to Latin American assistance is only a technical one not imposing any fund cut below the Administration's request. Authorization for bilateral economic assistance generally, at the level sought by the Administration and without specific line item reference to any country or area, has already been approved by the Committee in its action Tuesday in adopting the aid reform proposal.

Mr. Speaker, the record of U.S. financial assistance to our hemisphere neighbors is one of which we can all be proud. We have more than fulfilled the promises we made when the Alliance for Progress began. As the record of the last few years indicates there has been a gradually rising trend in the level of external support for hemisphere development and I would like to take this opportunity to make available statistics on "Public Sector Funds to Latin America." In reviewing the chart it should be noted that over the years the United States has been the primary source of funds which flow through the World Bank, the Inter-American Development Bank, and the various affiliates of both:

PUBLIC FUNDS TO LATIN AMERICA—GROSS COMMITMENTS

[U.S. fiscal years—in millions of dollars]

	1966	1967	1968	1969	1970	1971	1972	Total
United States: [1]								
Loans	505.4	439.1	[2] 428.5	[2] 247.9	[2] 330.4	[2] 247.7	[2] 244.7	2,443.7
Grants	78.5	82.1	78.3	75.6	80.0	80.6	[2] 93.4	568.5
Subtotal	583.9	521.2	506.8	323.5	410.4	328.3	338.1	3,012.2
IDB	368.2	456.7	408.1	508.0	680.9	659.4	610.2	3,691.5
SPTF:								
Loans	23.8							23.8
Grants	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.0
Subtotal	397.0	461.7	413.1	513.0	685.9	664.4	615.2	3,750.3
IBRD	374.7	282.3	376.4	457.7	703.0	670.6	945.3	3,810.0
IDA	7.5	2.0	9.1	14.6	11.0	33.6	11.2	89.0
IFC	23.9	11.6	17.2	26.6	33.7	41.9	40.6	195.5
Subtotal	406.1	295.9	402.7	498.9	747.7	746.1	997.1	4,094.5
Total	1,387.0	1,278.8	1,322.6	1,335.4	1,844.0	1,738.8	1,950.4	10,857.0

[1] By appropriation category.

[2] Includes population grants from AL funds as follows for fiscal year 1968, $7.9; fiscal year 1969, $10.3; fiscal year 1970, $10.9; and fiscal year 1971, $15.2. Pursuant to Public Law 92-242 of Mar. 8, 1972, programs relating to population growth were funded as grants which amounted to $11.1 million in fiscal year 1972.

[3] Includes less than $50,000 narcotics control.

Sources: AID data from operations report—W-129 for each fiscal year; SPIF, IDB, IBRD, IDA, and IFC data are from "U.S. Overseas Loans and Grants Report" for each fiscal year and the fiscal year 1972 preliminary report.

A STRONG CASE FOR METRIC LEGISLATION

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PICKLE. Mr. Speaker, ever since an early human tied knots in a vine to count his livestock, man has been in a numbers game. How he arranged them and his degree of sophistication have varied, but the basics of numbers has always remained.

I believe we as a nation are soon to enter a new phase in our own use of numbers. From all that experts and industry can tell us this Nation is rapidly moving toward use of the metric system.

It is really no small wonder—for we are now the only major Nation on Earth that does not use or is not committed to this system of measurement.

Philosophers and mathematicians, real and sidewalk, can argue the benefits and disadvantages of the move night and day, but the fact remains that the move is underway.

Whether it will be a costly and haphazard move, or a coordinated time and money saving move, is really the only question at hand.

My good colleague, the Honorable ROBERT MCCLORY recently presented a cogent argument for strong leadership legislation in this field. His remarks were presented to the Metric Expo '73 at the University of Illinois, and I would like to reprint them in the RECORD at this time:

LEGISLATION AND THE METRIC SYSTEM

(By ROBERT MCCLORY)

This is not the first time that the Congress of the United States has considered conversion to the Metric System of weights and measures—but it could be the last time. In other words, the momentum for a metric conversion is greater today than at any earlier time in our history.

We may regret the inaction which occurred following the recommendation of John Quincy Adams in 1821—and the failure experienced by Congressman John A. Kasson of Iowa, Chairman of the House Committee on Coinage, Weights and Measures who urged adoption of the metric system in 1866.

Congressman Kasson urged expanded use of metric measurements and specified that his intention was not to make the metric system compulsory. This attitude is being expressed with vigor by various witnesses testifying on Capitol Hill—with a similar intention that perhaps the subject can again be laid to rest indefinitely.

The closest the Congress has come to enactment of a bill to convert our nation to the metric system occurred in 1896 when Congressman Dennis Hurley of Brooklyn introduced a bill providing that all government departments should "employ and use only the weights and measurements of the metric system" in transacting official business and that in 1899 metric would become "the only legal system recognized in the United States." Supported actively by the Committee on Coinage, Weights and Measures, the bill passed the House by a margin of 119 to 117. However, on a motion to reconsider, the measure was referred back to the Committee and there it died.

It should be recalled that the Metric Study Bill enacted in 1968 would never have received favorable action if there had been any representation at that time that the study would be followed immediately by a federally directed metric conversion program. Opponents of the Study Bill argued that everything that could be said for or against the metric system was already known and there was nothing further to study. Indeed, I can't find much disagreement with that charge. On the other hand the three-year study program and report were vital in order to give prestige and status, as well as orderly direction to the question which we are considering today—of a federally authorized metric conversion program which will embrace virtually every segment of our society.

The Metric Study Report completed in July 1971 contained further recommendations. Indeed, it is vital to the pending legislation that the basic advice of the Study Commission should be adhered to if we are to have any federal program at all and if we are to recognize the wisdom of converting our present system to one of metric weights and measures. That report recommended that we change to the International Metric System "deliberately and carefully through a coordinated national program."

The Congress is directed to "assign responsibility for guiding the change" and to authorize the various sectors of our society to establish their own plans and time tables. Above all, the report recommends "a firm government commitment" to the goal of metric conversion with a target date 10 years hence.

Let me address myself for just a moment to that part of the recommendation which states that when the 10 year target date is reached, the United States will become "predominantly, though not exclusively, metric."

Obviously, land measurements, sporting events, and a number of other subjects, should not be subject to a metric conversion program—as there is no economic or social benefit which would be derived from such a

change. Indeed, there may well be other exceptions where machinery or equipment has a life span far greater than 10 years or where international agreements may establish fasteners or other devices according to measurements other than those expressed in metric units. To my mind, these are "exceptions" which should be authorized in relation to a general and comprehensive conversion. These categories should be exempted or the target date for such subjects should be capable of extension.

If we truly want to convert our system of weights and measures to metric, it would seem to me unwise to leave such a wide loophole as the expression *predominantly metric* in any legislative measure or plan. This might mean that 51 percent of the nation should operate according to metric standards, and 49 percent should employ such other measures as desired.

Let me refer to another aspect of the legislative measures which are pending in the Congress. The bill in which some 25 members and I have joined, would establish a relatively small metric conversion coordinating commission with authority to develop and employ a comprehensive national program for conversion to the international metric system over a 10-year period.

This coordinating Commission would be capable of receiving the effective support and assistance voluntarily provided by every interested sector and group in the United States.

While I have suggested in my bill a nine-member Commission composed of representatives from (a) business, (b) labor, (c) education, (d) science, and (e) technology, it is possible that some essential group may have been omitted. On the other hand, I feel that a much larger Commission would be both unwieldy and undesirable. I see no reason whatever for selecting these persons on the basis of their political affiliation. Of all of the many persons whom I've met who appear to be most knowledgeable on this subject—and who would make most valuable members of such a commission—I don't know the political preferences of a single one of them. And while I may have as broad or broader experience in the subject of conversion to the metric system as any other person in public life, I do not feel that I or any other Member of Congress should be burdened or made responsible for developing the kind of national coordinating program which is vital if we are to meet the objective of a 10 year conversion program.

The coordinating Commission should be assisted by a number of advisory commissions or separate groups drawn from the various segments of business, economic, and educational communities. It is my recollection that in the British Conversion Program, there were four broad categories working with the British Board of Trade and 69 separate product groups which are developing their own conversion programs. This general approach strikes me as consistent with a comprehensive and largely voluntary program.

Let me comment just a moment on the subject of a "voluntary" program.

"Voluntary" as interpreted by some would mean no federal guidance, direction, or compulsion—whatever. Indeed, a great deal of the literature which has come to my attention in which there are strong expressions of support for conversion to the metric system contemplate a gradual, unplanned and unguided conversion which would take place when, and if, the parties involved decide to move in this direction.

Another provision which might result in indefinite or endless delay is that which would authorize the establishment of a commission to develop a comprehensive national plan to cover our entire society. In turn this plan would require approval by the President and thereafter approval by the Congress. The question I ask is this: It is possible for one plan, however comprehensive, to embody every group and activity which will be subject to a coordinated metric conversion program? In the event all of these elements and segments are included, is there not a great risk that some part or all of the plan might not be acceptable to the President—or indeed might not be acceptable to the Congress? What then?

What happens to the commitment to proceed carefully and deliberately toward a metric conversion program targeted 10 years hence?

In authorizing by legislation the establishment of a Commission to develop a plan which is subject to later approval or disapproval by both the President and the Congress—with all of the pressures which could and would be applied during this intervening period—when the plan is submitted, is fraught with the same risk which Congressman Dennis Hurley's bill experienced in 1896. My position is that if we are indeed to make a commitment in 1973 to convert our system of weights and measures to the metric system, let us embody that commitment in meaningful legislation. Let us establish in 1973 the mechanism by which a 10 year conversion program could be carried out. Let us embrace the entire system carefully and deliberately and unqualifiedly. Finally, let us provide the official governmental leadership and direction which a metric conversion program requires if it is to succeed.

THE COMMUNITY ANTICRIME ASSISTANCE ACT OF 1973

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONYERS. Mr. Speaker, today I am introducing a bill to provide Federal anticrime assistance grants to cities, combinations of cities, public agencies, and nonprofit private agencies. This legislation would help to reduce crime and tap the creative and unlimited resources of our private sector in the fight against crime. This will be achieved by instituting joint programs involving the police, citizens, and all segments of the community in reporting criminal activity, and improving citizen cooperation and involvement throughout the criminal justice system. I believe that this legislation is long overdue, because there is presently no coordinated Federal program to assist the work and cooperative efforts of citizens in the criminal justice system.

It is my hope that this legislation will provide the impetus to link the resources of private industry, business, and labor to the anticrime efforts of citizens. Should this take place, we will see the emergence of a strong partnership against crime—unfettered by bureaucratic logjams—capable of marshaling unlimited energy and creative thinking to bear on the crime problem.

My bill designates the Community Relations Service, CRS, of the Department of Justice to administer the program of community anticrime assistance. The Community Relations Service, created by the Civil Rights Act of 1964 to settle community racial disputes, has since its inception undertaken new responsibilities in the area of helping communities to improve relations between criminal justice agencies and the citizens they serve. According to the first annual report of the Attorney General, Federal law enforcement and criminal justice assistance activity, during fiscal year 1971, CRS contributed significant manpower and resources in "helping to develop administration of justice and community relations programs" and related activities. The Attorney General's report further states:

> CRS seeks to establish local criminal justice coordinating councils, composed of private business, labor, education, and religious groups, and other interested citizens, to handle specific crime control and law reform projects.

The Law Enforcement Assistance Administration, LEAA, the major Federal anticrime program, is not structured to provide the kind of assistance necessary to improve community relations in the criminal justice system. The bloc grant and discretionary grant systems of LEAA operate primarily on the State and local governmental levels with the purpose to increase the efficiency of law enforcement agencies. Very little LEAA money and resources have been directed to the critical area of improving community relations with the criminal justice system.

An LEAA publication indicates that the agency has made "only about 30 direct awards" for projects involving volunteers in the criminal justice system during the past 2 years. These successful programs, although undertaken on a small scale, have involved over 6,000 volunteers in the areas of assisting courts and corrections, including actual work in prisons, jails, and penal farms. Similarly, programs for improving police-community relations have received less than 3 percent—about $2 million—since the inception of the program to January 1972.

In addition, although by congressional mandate, the Omnibus Crime Control and Safe Streets Act of 1968, which created LEAA, encourages States to use action grants for police-community relations programs and community involvement, only about 3.5 percent of LEAA action funds were allocated by States for community relations programs during fiscal years 1970 and 1971. The figure for fiscal year 1972 is less than 2 percent. These statistics are disproportionately low in comparison with funds allocated during fiscal year 1970 approaching 25 percent and fiscal years 1971 and 1972 amounting to over 21 percent for the detection and apprehension of criminals.

The National Institute of Law Enforcement and Criminal Justice, LEAA's research arm, in its "Planning Guidelines and Programs to Reduce Crime" for 1972, cities numerous citizens' programs ranging from home-alert and merchant-alert programs to supervised nonpolice tenant patrols which have assisted law enforcement agencies in the detection and apprehension of criminals. For example the national institute report states that based on a survey of police officials in Washington, D.C., and New York City, "it was found that nonpolice tenant patrols measurably reduce the incidence of stranger-to-stranger crimes. The decline in actual offenses and in opportunities to commit crime was significant." The report further states that

police officials "noted that in some housing projects the presence of nonpolice tenant patrols had a greater impact on crime than saturation patrols instituted by the police department." The report also indicates that safety patrols designed to complement police preventive patrols are now operating in New York City, Boston, Tampa, Los Angeles, Washington, D.C., Cleveland, Newark, Minneapolis, and other large cities. In addition, I have found similar patrols operating in Detroit and Oakland.

The Detroit and Boston programs were funded by discretionary grants made by LEAA to city housing authorities and report, so far, a high degree of success. The Boston project reported that after the institution of the program robberies dropped 77 percent, assaults 22 percent, and purse snatching 78 percent. These examples and statistics illustrate that there are effective methods available to local police departments at substantial monetary savings which are potentially more effective than merely increasing the number of police per capita and the amount of police hardware.

New York City has several types of citizen programs operating, and the mayor recently announced the establishment of a $5 million block security program to assist neighborhood associations in crime prevention programs.

I have found that citizen programs are broad ranging and reach into every spectrum of the criminal justice system. Citizens in many of our large cities have formed neighborhood associations, or encouraged existing private organizations, to undertake limited, or sometimes comprehensive programs, such as escorting the elderly and disabled to and from their residences in high crime areas; encouraging the reporting of crime and the marking and identification of personal property. These programs also include improving communications between the police and the community by strengthening the grievance resolution mechanisms of law enforcement agencies, and establishing police-citizen councils. Other programs include citizen crime commissions to alert businesses and the community to the influences of organized crime, counseling narcotics addicts and ex-offenders, organizing volunteer probation programs, preparing crime prevention education for schools, and court watching. The list is endless—just as the task of eliminating crime from our cities may appear to us at the moment. However, if this kind of positive citizen involvement can be given at least a minimum amount of assistance from the Federal Government, I am certain that we will see a substantial reduction in our Nation's crime rates.

Citizen involvement in crime prevention and volunteerism is not a new idea, and in recent years has received extensive commentary and support from the administration, crime commissions, Federal agencies, cities, and private organizations.

President Nixon, in his first inaugural address, noting the limitations of what Government can do alone, said we must reach beyond Government and enlist the "legions of the concerned and the committed." During the early months of his administration, the President in a statement about the national program for voluntary action said: "A major goal of this administration is to recognize and enlist the energies and resources of the people themselves, as well as Government," and outlined a detailed plan for involving individual citizens in all kinds of volunteer programs to contribute to what he called "solving the pressing problems of their neighborhoods."

In 1969, the Attorney General of the United States, speaking before a conference of the National Council on Crime and Delinquency—one of the Nation's oldest nonprofit private criminal justice organizations—outlined a detailed plan supporting citizen involvement in crime prevention. It included the establishment of a private united anticrime fund to provide assistance to the private sector; "town hall" meetings on the crime problem; a cabinet level council on law enforcement and a national information center to act as a clearinghouse for community organizations.

Even though these plans and promises of the administration are today nothing but unfulfilled words, citizen participation in crime prevention is as good an idea today as it was 4 years ago.

In 1967, the President's Commission on Law Enforcement and the Administration of Justice, in its report on the police, outlined the futility of law enforcement without the involvement of citizens and cited a number of citizens' programs operating in our major cities. The report states that—

> Crime is not the business of the police alone . . . Police need help from citizens, from private organizations, from other municipal agencies, and from crime prevention legislation.

In 1969, the National Commission on the Causes and Prevention of Violence recommended the creation and continued support—including private and public funding—of private citizens' organizations and the creation of a National Citizens Justice Center. The report cites numerous examples of citizen participation in crime prevention and further states that—

> Private organizations do not pose a threat to existing agencies and carry no residue of past misunderstanding. They can intercede with a city's power structure without being bound by chains of command. They can test programs through pilot projects carried out on a small scale.

The Advisory Commission on Intergovernmental Relations, in its 1971 report on State-local relations in the criminal justice system, incorporated an entire chapter on citizen involvement in crime prevention, citing and encouraging numerous ways in which citizens can safely and efficiently participate in the criminal justice system.

Recently, the National Council on Criminal Justice published working papers similarly calling for citizen involvement in crime prevention for the purpose of reducing crime and corruption in government. The Council said that—

> The best corruption control is a vigilant public.

The National Institute of Law Enforcement and Criminal Justice announced in its program plan for fiscal year 1973 intensive research and the development of models to increase the levels of community participation in crime prevention, reduction, and control.

In a recent survey conducted by the Council on Municipal Performance concerning the subject of law enforcement methods of 30 major cities, it was reported by 4 of the 5 cities with the lowest reported crime rate that police-community cooperation was one of their three chief crime control approaches. Three of the five cities with the highest crime rate—Newark, San Francisco, and St. Louis—cited lack of community cooperation as the major obstacle to crime control.

Federal agencies which have encouraged and supported community involvement in crime prevention include the Office of Economic Opportunity, ACTION, the Bureau of Narcotics and Dangerous Drugs, and the Model Cities program.

It seems clear that it is not enough for LEAA and other Government agencies to pour resources and manpower into the fight against crime without planting the seed of involvement and responsibility in the private sector. Without the involvement, concern, and cooperation of our citizens, governmental efforts will be barren and ineffectual. There is only so much that Government can do alone. We need help. Five years and over $1 billion after the inception of the Law Enforcement Assistance Administration—the country's great hope to solve the crime problem—the Nations' crime index continues to show the high degree to which crime threatens the fibers of our institutions and the health and safety of our people.

We cannot afford not to explore all existing avenues toward fighting crime, because the answer to this perennial problem will not be found in any one program. The causes of crime emanate from the roots of the American experience, and I am concerned that the solution to this problem depends on the will of our people to initiate crime prevention programs on their own and to cooperate with the Federal, State, and local governments in a united fight to reduce and erase crime from our cities.

I include a sectional synopsis and the text of the proposed legislation in the RECORD at this point:

SECTIONAL SYNOPSIS OF THE COMMUNITY ANTICRIME ASSISTANCE ACT OF 1973

Sec. 2. States the congressional findings and purposes of the Act which is to assist the cooperative crime prevention efforts of cities and the private sector.

TITLE I

Sec. 101. States that the purpose of title I is to assist cities, combinations of cities and public agencies to establish community relations programs and volunteer service programs in the criminal justice system;

Sec. 102. Provides that in order to qualify for grants or contracts under title I a city or combination of cities must have a population of at least 100,000, and provides the kinds of programs for which the Director of the Community Relations Service of the Department of Justice (hereinafter the "Director") is authorized to provide assistance; and

Sec. 103. Provides conditions for grants under title I including contributions of money, facilities, or services not to exceed 25 per-

cent of the cost of the program when the Director deems feasible; provides for the coordination of programs with local citizens and their establishment in high crime areas of the city; and provides that grant applications under title I include a description of existing community relations programs and a statement of methods for linking city resources with those of the private sector in operating all programs.

TITLE II

Sec. 201. States the purpose of title II to assist nonprofit private agencies located throughout the country to establish crime prevention programs and volunteer service programs in the criminal justice system;

Sec. 202. Provides the kinds of programs for which the Director is authorized to make grants; and

Sec. 203. Provides conditions for grants under title II including the requirement that a grantee has been in continuous existence for one year prior to making application for a grant.

TITLE III

Sec. 301. Provides requirements for the content of applications for grants under titles I and II of the Act;

Sec. 302. Provides that the Director shall provide technical assistance to grantees;

Sec. 303. Provides that the Director shall cooperate and consult with the heads of other Federal departments and agencies that perform functions related to the purposes of the Act;

Sec. 304. Provides for hearings to applicants denied assistance;

Sec. 305. Provides requirements for the use of funds;

Sec. 306. Provides definitions of all terms used in the Act;

Sec. 307. Provides that all programs shall be carried out by the Director through fiscal year 1975; and

Sec. 308. Provides for appropriations totaling $50,000,000 to carry out the Act which shall be distributed equally between titles I and II.

H.R. 9175

A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police-community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Anticrime Assistance Act of 1973".

FINDINGS AND PURPOSE

SEC. 2. (a) Congress hereby finds and declares that the high incidence of crime in our Nation has reduced the spirit and community pride of our citizens; that crime breeds in the streets and corruption breeds in government when citizens are apathetic toward their community and institutions; that one of the most effective methods of reducing crime is to involve citizens and the private sector in cooperative anticrime programs with local governments; that crime prevention programs instituted by citizens over the past several years have had a measurable effect on reducing crime and improving citizen cooperation with local law enforcement agencies; and that there is no coordinated Federal program to assist citizens in cooperative anticrime programs with local governments.

(b) Congress further finds that crime is a national problem that must be dealt with by linking the total resources of the Federal, State, and local governments with the efforts of citizens and the private sector at the neighborhood level.

(c) It is therefore the declared policy of Congress to provide anticrime assistance grants to cities, combinations of cities, public agencies and nonprofit private agencies for the purpose of involving citizens and the private sector in cooperative anticrime programs with local governments.

TITLE I—GRANTS TO CITIES AND PUBLIC AGENCIES

STATEMENT OF PURPOSE

SEC. 101. The purpose of this title is to assist cities, combinations of cities and public agencies to establish community relations programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 102. (a) The Director of the Community Relations Service in the Department of Justice (hereinafter in this Act referred to as the "Director") is authorized to make grants to, or cooperative arrangements with, cities and combinations of cities with a population of not less than 100,000 and public agencies thereof, including regional planning organizations, to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and cooperative arrangements made under this title may be made to carry out programs including—

(1) programs to encourage the participation of industry, businesses, labor unions, and private enterprises in crime prevention efforts of the city and the neighborhood in which they are located;

(2) the recruiting and training of police-community relations officers, which includes the development of programs of police training and education to sensitize police to the needs of the community;

(3) the recruiting and training of community service officers to serve with and assist police departments in the discharge of their duties through such activities as recruiting police officers, improvement of police community relations, and grievance resolution mechanisms;

(4) the recruiting, organization, and training of citizen preventive patrols for the purpose of patrolling apartment buildings, neighborhoods, and schools;

(5) the recruiting and training of police aides (paid or volunteer) including minority aides and youth aides;

(6) the recruiting of minority police officers;

(7) programs to encourage the reporting of crime and the marking and identification of personal property;

(8) the establishment of community structures to coordinate all citizen programs; and

(9) to improve police procedures in effecting arrests and to improve arrest procedures, including programs to issue summons in lieu of arrest to reduce unnecessary arrests for nonviolent crimes.

CONDITIONS OF GRANTS

SEC. 103. (a) The Director shall require, whenever feasible, as a condition of approval of a grant under this title, that the applicant contribute money, facilities, or services, to carry out the purpose for which the grant is requested. The contribution required under this subsection shall not exceed 25 per centum of the cost of each program assisted under this title.

(b) Grants and cooperative arrangements under this title may be made only upon an application to the Director, which contains—

(1) satisfactory assurances that such applicant will place special emphasis upon programs, which involve disadvantaged persons and minority groups in the criminal justice system;

(2) satisfactory assurances that such applicant will make special efforts to assure that programs established under this title are directed to the areas of the city with the highest incidence of crime;

(3) satisfactory assurances that such applicant has consulted on its application with local public agencies and nonprofit private agencies located in the geographic area of the city to be served and has adopted procedures to coordinate its program with related efforts being made by such other agencies;

(4) satisfactory assurances that maximum use will be made under the program of other Federal, State, or local resources available for the provision of services requested under this Act;

(5) satisfactory assurances that in developing programs, the applicant will give public agencies and nonprofit private agencies providing services within the geographic area to be served opportunity to present their views to such applicant with respect to such programs;

(6) satisfactory assurances that such applicant will institute procedures for evaluating the operation of each program operated by it under this title, including the maintenance of records on the disbursement of grants, and will report in full to the Director annually during the period such program is assisted under this title on the functions and services performed by such program, the disbursement of grant funds, and any innovations made to meet the needs of the geographic area where such program is in operation;

(7) a description of all community relations programs and citizen volunteer programs in the criminal justice system established by the applicant city, or combination of cities including public agencies thereof, or applicant public agency which shall be current to the date of each subsequent application for grants; and

(8) a statement of the method or methods of linking the resources of public agencies and nonprofit private agencies providing services relating to the purpose of the grant application.

TITLE II—GRANTS TO NONPROFIT PRIVATE AGENCIES

STATEMENT OF PURPOSE

SEC. 201. The purpose of this title is to assist nonprofit private agencies in efforts to establish crime prevention programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 202. (a) The Director is authorized to make grants to, or cooperative arrangements with, nonprofit private agencies to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and contracts under this title may be made to carry out programs including—

(1) programs to encourage the reporting of crime and the marking and identification of personal property;

(2) programs to enhance the delivery of social services into neighborhoods such as the removal of waste, street cleaning, building inspection, recreational facilities, and improved street lighting;

(3) programs to provide volunteer escorts for elderly citizens and other persons requiring assistance to and from their residences in high crime areas;

(4) programs to provide counseling to ex-offenders, narcotics addicts, and persons on probation;

(5) programs to improve communications between the community and police departments;

(6) programs to provide alternatives to incarceration (including release to the custody of community programs) for persons convicted of minor or victimless crimes; and

(7) programs of citizen crime commissions

established for the purpose of combating the influences of organized crime.

CONDITIONS OF GRANTS

SEC. 203. (a) To qualify for grants under this title a nonprofit private agency shall have been in continuous operation for a period of at least one year before the date of application and shall demonstrate that it can satisfactorily administer the program for which a grant is requested.

(b) Grants and contracts under this title may be made only upon application to the Director, which contains satisfactory assurances that—

(1) the applicant will maintain adequate records on the disbursement of grants under the Act which will be made available upon request to the Director; and

(2) the applicant will make available to the entire community that it normally serves and where it is geographically located, on a nondiscriminatory basis, the benefits of any program instituted by it under this title.

TITLE III—ADMINISTRATION

APPLICATIONS FOR GRANTS

SEC. 301. (a) In addition to the requirements for applications set forth in sections 103(b) and 203(b), the Director shall require each application for a grant under this Act to include—

(1) a description of the purpose of the program;

(2) a description of the anticipated use of funds under the grant;

(3) a description of the geographic area of the community in which the program will be carried out and the incidence of crime in such area;

(4) a description of the extent that the program anticipates assistance, financial or otherwise, from departments or agencies of the Federal, State, or local governments; and

(5) a description of the anticipated number of citizens who will participate in the program or be benefited by its operation.

(b) The Director shall provide assistance in filing an application under this Act to any applicant requesting such assistance.

TECHNICAL ASSISTANCE

SEC. 302. The Director shall provide technical assistance to cities, combinations of cities, public agencies, and nonprofit private agencies either directly or through contracts with other Federal departments or agencies to enable such recipients to fully participate in all programs available under this Act.

COOPERATION BETWEEN AGENCIES

SEC. 303. The Director in the administration of this Act shall consult and cooperate with the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Director of ACTION, and any other department or agency of the United States which performs functions related to the purposes of this Act.

HEARINGS

SEC. 304. The Director shall, on the application of any person claiming to be aggrieved by the denial of assistance under this Act, give such person a public hearing to determine if such person was so aggrieved. If the Director determines such person was so aggrieved, he shall grant, in whole or in part, the assistance with respect to which such hearing was held.

RESTRICTIONS ON USE OF FUNDS

SEC. 305. Not more than one-third of any grant made under this Act shall be used for the lease or rental of any building or space therein. No part of any grant may be used to purchase buildings or land or for research, except to the extent such research is incidental to the carrying out of programs under this Act.

DEFINITIONS

SEC. 306. For purposes of this Act:

(1) The term "city" means any city in any State, or in the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa, and includes the District of Columbia.

(2) The term "combination of cities" means two or more cities, towns or other units of general local government and includes county, parish, or any other equivalent governmental subdivisions of a State or Territory of the United States with a population of not less than 100,000.

(3) The term "public agency" means any department, agency or instrumentality of any city or combination of cities with a population of not less than 100,000. This would include regional planning organizations established for the purpose of developing comprehensive planning and coordinating efforts to meet common problems.

(4) The term "criminal justice system" means the police, criminal courts, prosecutors and correctional departments of the Federal, State, and local governments.

(5) The term "community relations program" means any activity established by a city, combination of cities or public agency thereof that incorporates the participation of citizens for the purpose of improving the delivery of services relating to the criminal justice system of such city, combination or public agency to the community.

(6) The term "crime prevention program" means any activity using the services of citizens established and regulated by a nonprofit private agency for the purpose of performing cooperative functions relating to any component of the criminal justice system.

(7) The term "volunteer service program" means any activity using the volunteer services of citizens established by a city, combination of cities, public agency thereof, or nonprofit private agency and regulated by a component of the criminal justice system for the purpose of providing assistance to such component.

DURATION OF PROGRAMS

SEC. 307. The Director shall carry out the programs provided for in this Act during the fiscal years ending June 30, 1974, and June 30, 1975.

AUTHORIZATIONS

SEC. 308. There is authorized to be appropriated for grants and cooperative arrangements under title I of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975. There is authorized to be appropriated for grants and cooperative arrangements under title II of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.

THE MILITARY MAW—PART III

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

Mrs. SCHROEDER. Mr. Speaker, this year's military procurement authorization bill, in my opinion, is full of fat. It reminds me of the late Gen. Nelson Appleton Miles who was so obese that he could not wade ashore with his troops in Cuba in 1898. It reflects all the clear thinking and sound military strategy of Civil War Gen. Ambrose E. Burnside.

Yesterday, I pointed out why there was no need for the $657 million authorization for the CVAN-70 nuclear aircraft carrier. Today, I wish to concentrate on the wasteful aspects of the Trident program.

There is no doubt that our national security is based in large measure on the invulnerability of our ballistic missile submarines. Our nuclear submarine force has been, is now, and will continue to be, with our current modernization programs, sufficiently large and effective to be able in time of war to cripple the Soviet economy. However, I do not believe that the speed with which we are currently plunging into the Trident program is justified, given the realities of the moment.

In the first place, the latest available intelligence reports show that Soviet construction of similar ballistic missile submarines has slowed, and that their progress in antisubmarine warfare techniques has shown no significant improvement. Furthermore, the Navy's proposal to build 10 Trident submarines violates by 26 missiles our own agreed limit on such missiles at the SALT I talks.

In the face of such facts, it appears that the Navy still wants to rush the Trident program through to quick completion. Its request for $1.7 billion for fiscal year 1974 is twice the fiscal year 1973 request. The total cost of these 10 submarines, at current prices, is $13.5 billion, which, under the circumstances, is a heavy commitment to make.

Instead of pushing ahead with this weapons system, I believe that the best course to follow for the moment would be to defer for at least 1 year the decision to accelerate the program. Rather, we should concentrate on backfitting Trident missiles into Poseidon submarines. We should also continue our R. & D. program, give high priority to our SSBN defense program, and support Trident "lead-ship" construction plans. This, I believe, is the most prudent course to follow for the moment.

I also hope that restrictions on strategic ASW operations are high on the SALT II agenda, because an agreement in this area would help determine our military needs in this field.

Our strategic forces are sufficiently strong that we can easily defer for a year or so the decision whether or not we should plunge headlong into this most expensive weapons system.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GERALD R. FORD requests leave of absence for Mr. CARTER the week of July 10, on account of illness in family.

Mr. O'NEILL requests leave of absence for Mr. DANIELSON for today on account of illness in family.

Mr. GERALD R. FORD requests leave of absence for Mr. KEMP from 3 p.m. today until July 23, 1973, on account of attendance at the 1973 International Captive Nations Week Rally in Taipai, Formosa.

Mr. O'NEILL requests leave of absence for Mr. PEPPER for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MARAZITI) to revise and extend their remarks and include extraneous matter:)

Mr. WALSH, for 10 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. HOGAN, for 60 minutes, on July 16.
Mr. LOTT, for 5 minutes, today.
Mr. FORSYTHE, for 5 minutes, today.
Mr. DUNCAN, for 40 minutes, on July 16.
(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous matter:)
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DIGGS, for 5 minutes, today.
Mr. DOMINICK V. DANIELS, for 5 minutes, today.
Mr. FRASER, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.
Ms. ABZUG, for 10 minutes, today.
Mr. O'NEILL, for 15 minutes, today.
Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. ROUSSELOT, to revise and extend his remarks during consideration of the Small Business Act in the Committee of the Whole today.

Mr. ERLENBORN 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 $522.50.

Mr. MICHEL to extend his remarks prior to those of Mr. POAGE during consideration of H.R. 8860 in the Committee of the Whole today.

Mr. CONYERS and to include extraneous matter, nothwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $679.25.

Mr. WHITTEN to include extraneous matter in his remarks on the farm bill today.

(The following Members (at the request of Mr. MARAZITI) and to include extraneous matter:)

Mr. YOUNG of Alaska in three instances.
Mr. BROYHILL of Virginia.
Mr. MIZELL in five instances.
Mrs. HOLT.
Mr. WYMAN in two instances.
Mr. BOB WILSON.
Mr. SYMMS.
Mr. TAYLOR of Missouri.
Mr. KEATING in four instances.
Mr. GOLDWATER.
Mr. SHOUP.
Mr. SHRIVER.
Mr. ANDERSON of Illinois in two instances.
Mr. FROEHLICH.
Mr. HINSHAW.
Mr. MICHEL in five instances.
Mr. SHRIVER in two instances.
Mr. BROTZMAN.
Mr. BROOMFIELD.
Mr. KEMP.
Mr. QUIE.
Mr. HUDNUT.
Mr. VEYSEY in two instances.
(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)
Mr. YOUNG of Georgia in six instances.
Mr. MITCHELL of Maryland in two instances.
Mr. ADDABBO.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. HARRINGTON.
Mr. EVINS of Tennessee.
Mr. LONG of Maryland in 10 instances.
Mr. KYROS.
Mr. RIEGLE.
Mr. WHITE.
Mr. HAMILTON in 10 instances.
Mr. ROE in two instances.
Mr. DIGGS in three instances.
Mr. DULSKI in six instances.
Mr. ROSTENKOWSKI.
Mr. WON PAT.
Mr. DORN in five instances.
Mr. TIERNAN.
Mr. MELCHER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1141. An act to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes; to the Committee on Banking and Currency.

S. 1328. An act to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California; to the Committee on Interstate and Foreign Commerce.

S. 1435. An act to provide an elected Mayor and City Council for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1989. An act to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative, and judicial salaries; to the Committee on Post Office and Civil Service.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

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.

ADJOURNMENT

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, July 16, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1140. A letter from the Chairman, U.S. Tariff Commission, transmitting a draft of proposed legislation to amend section 330 (B) of the Tariff Act of 1930 to provide for holding over a commissioner in office after his term has expired until his successor is appointed and shall have qualified; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1138. A letter from the Comptroller General of the United States, transmitting a supplemental report to the report on U.S. assistance for the economic development of the Republic of Korea; to the Committee on Government Operations.

1139. A letter from the Comptroller General of the United States, transmitting a report on U.S. assistance for the economic development of the Republic of Korea; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 8920. A bill to amend the Lead Based Paint Poisoning Prevention Act, and for other purposes; (Rept. No. 93-373). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 9223. A bill to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns; to the Committee in House Administration.

By Mr. ANNUNZIO:

H.R. 9224. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

By Mr. BROTZMAN (for himself, Mr. ARMSTRONG, Mr. EVANS of Colorado, Mr. HELSTOSKI, Mr. HOSMER, Mr. JOHNSON of Colorado, Mr. MARTIN of North Carolina, Mr. TOWELL of Nevada, Mr. WILLIAMS, and Mrs. SCHROEDER):

H.R. 9225. A bill to amend the Clean Air Act to provide for more effective motor vehicle emission controls at high altitudes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN (for himself, Mr. ARCHER, Mr. BEVILL, Mr. BLACKBURN, Mr. BROTZMAN, Mr. BROYHILL of North Carolina, Mr. BROYHILL of Virginia, Mr. BURKE of Massachusetts, Mr. CAMP, Mr. CLANCY, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORMAN, Mr. DAN DANIEL, Mr. DUNCAN, Mr. HANSEN of Idaho, Mr. HORTON, Mr. JOHNSON of Pennsylvania, Mr. RARICK, Mr. J. WILLIAM STANTON, Mr. VANDER JAGT, and Mr. WILLIAMS):

H.R. 9226. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 9227. A bill to establish a U.S. Fire

Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes; to the Committee on Science and Astronautics.

H.R. 9228. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 9229. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

By Mr. CRONIN (for himself, Mr. ABDNOR, Mr. ASPIN, Mr. BAFALIS, Mr. BRAY, Mr. BRECKINRIDGE, Mr. BUTLER, Mr. CAMP, Mr. CLEVELAND, Mr. COCHRAN, Mr. COHEN, Mr. COUGHLIN, Mr. DE LUGO, Mr. DERWINSKI, Mr. EILBERG, Mr. FORSYTHE, Mr. FRASER, Mr. FRENZEL, Mr. FROEHLICH, Mr. GILMAN, Mrs. GRASSO, Mr. HANRAHAN, Mrs. HECKLER of Massachusetts, Mr. HINSHAW, and Mr. KEMP):

H.R. 9230. A bill to establish a Joint Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. CRONIN (for himself, Mr. KETCHUM, Mr. MARTIN of North Carolina, Mr. MCDADE, Mr. MILFORD, Mr. MOORHEAD of California, Mr. O'BRIEN, Mr. PARRIS, Mr. PICKLE, Mr. RIEGLE, Mr. RINALDO, Mr. RONCALLO of New York, Mr. SARASIN, Mr. SHRIVER, Mr. THONE, Mr. TOWELL of Nevada, Mr. WALDIE, Mr. WARE, Mr. WILLIAMS, Mr. WINN, Mr. WON PAT, and Mr. YOUNG of Alaska):

H.R. 9231. A bill to establish a Joint Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. ERLENBORN (for himself, Mr. QUIE, Mr. HANSEN of Idaho, Mr. KEMP, Mr. SARASIN, Mr. HUBER, Mr. DELLENBACK, Mr. STEIGER of Wisconsin, and Mr. TOWELL of Nevada):

H.R. 9232. A bill to revise the Welfare and Pension Plans Disclosure Act, and to strengthen and improve the private retirement system by establishng minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 9233. A bill to amend the U.S. Housing Act of 1937 to improve the financial condition of low-rent housing projects by establishing a more realistic formula for the determination of rentals, and for other purposes; to the Committee on Banking and Currency.

By Mr. FISH:

H.R. 9234. A bill to require that every Federal or federally assisted reinforced concrete structure or high rise building constructed with reinforced concrete be erected by an accredited concrete constructor, who shall also be responsible for the full time presence of a registered architect or professional engineer during the erection of such structure or building; to the Committee on Public Works.

By Mr. HASTINGS:

H.R. 9235. A bill to restore, support, and maintain modern, efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JARMAN:

H.R. 9236. A bill to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Oklahoma:

H.R. 9237. A bill to amend the Rivers and Harbor Act of 1946, as amended and modified; to the Committee on Public Works.

By Mr. KETCHUM (for himself, Mr. BAFALIS, Mr. DE LUGO, Mr. RARICK, Mr. VEYSEY, and Mr. CHARLES H. WILSON of California):

H.R. 9238. A bill to amend the Immigration and Nationality Act to require the Attorney General to employ additional personnel to patrol the borders of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. BAFALIS, Mr. DE LUGO, Mr. RARICK, and Mr. CHARLES H. WILSON of California):

H.R. 9239. A bill to amend the Immigration and Nationality Act to eliminate the procedures for voluntary departure with respect to certain aliens illegally in the United States and to increase the penalties for the illegal entry of aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself and Ms. ABZUG):

H.R. 9240. A bill to amend title 5, United States Code, to provide that the wages of Federal employees be subject to court-ordered deductions for child support; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. BROWN of California, Mr. CLAY, Mr. EDWARDS of California, Mr. EILBERG, Mr. WILLIAM D. FORD, Mr. ROSENTHAL, Mr. MOAKLEY, and Mrs. CHISHOLM):

H.R. 9241. A bill to regulate expenditures of appropriated funds with respect to private property used as residences by individuals whom the Secret Service is authorized to protect; to the Committee on Public Works.

By Mr. MACDONALD:

H.R. 9242. A bill to provide for the preservation, improvement, and reorganization of rail service in the Northeast; to establish the Northeast Transportation Commission, the Federal National Railway Association, and the Northeast Rail Corporation; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 9243. 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 Mrs. MINK:

H.R. 9244. A bill to amend title 10 of the United States Code in order to permit the partial attachment of retired or retainer pay to satisfy judicially decreed child support contributions, and for other purposes; to the Committee on Armed Services.

H.R. 9245. A bill to amend the Internal Revenue Code of 1954 to provide an automatic X deferment of Federal tax liability where a small business concern is owed money by the United States for goods and services furnished by such concern; to the Committee on Ways and Means.

By Mr. MINSHALL of Ohio:

H.R. 9246. A bill to suspend the duty on synthetic rutile until the close of December 31, 1976; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mrs. SULLIVAN, Mr. GROVER, Mr. CLARK, Mr. RUPPE, Mr. BOWEN, Mr. SNYDER, Mr. BREAUX, Mr. STEELE, Mr. KYROS, Mr. LOTT, Mr. SARBANES, Mr. TREEN, Mr. DINGELL, Mr. YOUNG of Alaska, Mr. LEGGETT, Mr. METCALFE, and Mr. GINN):

H.R. 9247. A bill to amend certain laws affecting the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. REGULA (for himself and Mr. WHALEN):

H.R. 9248. A bill to authorize the establishment of the Ohio and Erie Canal National Historic Park in the State of Ohio, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 9249. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise certain requirements for approval of new animal drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 9250. A bill to make it a Federal crime to kill or assault a fireman or law-enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. MOAKLEY, Mr. WALDIE, Mr. WINN, and Mr. WOLFF):

H.R. 9251. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation to handicapped persons and persons who are 65 years of age or older, to amend the Interstate Commerce Act to authorize free or reduced-rate transportation for persons who are 65 years of age or older, and to provide new and improved transportation programs for the handicapped and the elderly; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR:

H.R. 9252. A bill to amend the black lung benefits provisions of the Federal Coal Mine Health and Safety Act to prevent duplicate awards in the case of certain widows; to the Committee on Education and Labor.

By Mr. STEELMAN (for himself, Mr. SAYLOR, Mr. SKUBITZ, Mr. RUPPE, Mr. REGULA, Mr. DE LUGO, Mr. SEIBERLING, Mr. CRONIN, Mr. WON PAT, Mrs. BURKE of California, Mr. BURTON, and Mr. TOWELL of Nevada):

H.R. 9253. A bill to establish the Big Thicket National Biological Reserve in Texas; to the Committee on Interior and Insular Affairs.

By Mr. VEYSEY (for himself, Mr. PODELL, Mr. RANGEL, Mr. ROBISON of New York, Mr. STOKES, Mr. TALCOTT, and Mr. WOLFF):

H.R. 9254. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY (for himself, Mr. QUIE, Mr. RINALDO, and Mr. WINN):

H.R. 9255. A bill to provide reduced retirement benefits for Members of Congress who remain in office after attaining 70 years of age; to the Committee on Post Office and Civil Service.

By Mr. WALDIE (for himself, Mr. BRASCO, Mr. DOMINICK V. DANIELS, Mr. CHARLES H. WILSON of California, Mr. MOAKLEY, Mr. HOGAN, and Mr. HILLIS):

H.R. 9256. A bill to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALDIE (for himself, Mr. BRASCO, Mr. DOMINICK V. DANIELS, Mr. CHARLES H. WILSON of California, Mr. MOAKLEY, Mr. HOGAN, Mr. HILLIS, and Mr. BAFALIS):

H.R. 9257. A bill to amend chapter 83 of title 5, United States Code, relating to the rates of employee deductions, agency contributions, and deposits for civil service retirement purposes; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.R. 9258. A bill to repeal the recently added limitation on the amount of Federal payments to States for skilled nursing home and intermediate care facility services under the medicaid program; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 9259. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. WHITE:

H.R. 9260. A bill to provide that the Administrator of the Social and Economic Statistics Administration, Department of Commerce, be subject to Senate confirmation, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WIGGINS (for himself and Mr. DENT):

H.R. 9261. A bill to amend title 28, United States Code, to change the age and service requirements with respect to the retirement of justices and judges of the United States; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 9262. A bill to authorize the establishment of the Tallgrass Prairies National Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WON PAT:

H.R. 9263. A bill to extend to certain uninsured residents of the United States in Guam, Puerto Rico, and the Virgin Islands the social security benefits normally provided to individuals who have attained age 72 and who fulfill other special conditions; to the Committee on Ways and Means.

By Mr. ZWACH:

H.R. 9264. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families; to the Committee on the Judiciary.

By Ms. ABZUG (for herself, Mr. ASHLEY, and Mr. COUGHLIN):

H.R. 9265. A bill to prohibit discrimination on the basis of sex or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. ASPIN:

H.R. 9266. A bill to amend the Securities and Exchange Commission Act of 1933 to authorize the Securities and Exchange Commission to regulate the structure of certain corporations and other firms engaged in petroleum refining; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 9267. A bill to amend title 5, United States Code, to include guards, special policemen, and other personnel of the General Services Administration engaged in protective services for Federal buildings within the provisions of such title providing civil service retirement for Government employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. HORTON (for himself and Mr. ERLENBORN):

H.R. 9268. A bill to amend section 552 of title 5 of the United States Code (known as the Freedom of Information Act) and to establish a Freedom of Information Commission; to the Committee on Government Operations.

By Mr. MELCHER (for himself, Mr. BREAUX, Mr. CLEVELAND, Mr. FLYNT, Mr. HANSEN of Idaho, Mr. HASTINGS, Mr. JONES of North Carolina, Mr. LATTA, Mr. MAYNE, Mr. MCCOLLISTER, Mr. MOLLOHAN, Mr. RARICK, Mr. RHODES, Mr. ROBERTS, Mr. STEELMAN, Mr. WARE, Mr. WHITEHURST, and Mr. BOB WILSON):

H.R. 9269. A bill to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. METCALFE (for himself, Mr. EDWARDS of California, Mr. WALDIE, Mr. SEIBERLING, Mr. RANGEL, Mr. CONYERS, and Mr. OWENS):

H.R. 9270. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 9271. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families; to the Committee on the Judiciary.

By Mr. STEELE:

H.R. 9272. A bill to suspend for a 3-year period the duty on fair stained and better india ruby mica films first or second quality; to the Committee on Ways and Means.

By Mr. FULTON:

H.J. Res. 661. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. OWENS:

H.J. Res. 662. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. LOTT (for himself, Mr. ADDABBO, Mr. ANDERSON of Illinois, Mr. ARCHER, Mr. ASHBROOK, Mr. CHAPPELL, Mr. COHEN, Mr. CONLAN, Mr. CRANE, Mr. DAVIS of Georgia, Mr. DORN, Mr. HANSEN of Idaho, Mr. ICHORD, Mr. MONTGOMERY, Mr. MURPHY of New York, Mr. MYERS, Mr. ROBERTS, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. WON PAT, and Mr. YOUNG of Illinois):

H. Con. Res. 267. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Res. 491. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. THOMPSON of New Jersey:

H. Res. 492. Resolution providing pay comparability adjustments for certain House employees whose pay rates are specifically fixed by House resolutions; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 9273. A bill for the relief of Maria Martins Sanchez; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 9274. A bill for the relief of Peter Van Der Heyden; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 9275. A bill for the relief of Lt. Col. Laurence E. Gardner; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 9276. A bill for the relief of Luther V. Winstead; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 9277. A bill for the relief of Ierotheos (Jerry) Kallias; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

HOME TO VIRGINIA

HON. WILLIAM LLOYD SCOTT

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 12, 1973

Mr. SCOTT of Virginia. Mr. President, the July issue of Reader's Digest features an interesting and informative article on the historic, scenic, and economic aspects of the Commonwealth of Virginia. The article, written by James Daniel as part of the Digest's Armchair Travelogue, is entitled "Home to Virginia."

Mr. Daniel points out that millions of Americans can trace their family roots to Virginia, where our Nation's history began in the early 1600's. In fact, the author writes that:

Perhaps half of the U.S. population has some distant family tie with the Old Dominion.

On a tour of our beautiful Commonwealth, Mr. Daniel points to a number of the most significant features of her rich heritage. The author notes that Virginia is not only the scene of some major events of our country's past like the founding of Jamestown and Williamsburg, the battles of the American Revolution and the Civil War; but it is also the home and birthplace of eight of our Presidents.

Since the article should have widespread interest, I ask unanimous consent that it be printed in the RECORD and commend the article to reading by my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOME TO VIRGINIA

(By James Daniel)

Three hundred and sixty-six years ago this spring, three tiny English ships, the *Susan Constant*, the *Godspeed* and the *Discovery*, after 18 weeks on the perilous Atlantic, happened on the mouth of Chesapeake Bay and sailed through the capes into calm water. Wading ashore, Capt. Christopher Newport and his 142 men marveled at the "faire meddowes and goodly tall trees." After thanking God for bringing them to Paradise, they claimed, for James I of England, all of North America between Spanish Florida and French Canada, from the Atlantic to the "China Sea." Our nation's history had begun.

Today the visitor to the site chosen by these men for settlement finds only the foundations of the statehouse and other buildings, and the ivied ruins of an ancient church where "Jamestown" stood until destroyed by fire in 1968. But nearby is a replica of the 1607 town, with its palisaded log fort and thatched-roof, wattle-and-daub houses. And tied up in the James River are full-scale reproductions of Captain Newport's three brave ships.

Such panoramas of history abound in Virginia, and provide a special thrill for the 45 million people who visit the state each year. Some are drawn to the birthplaces and homes of Virginia's record eight Presidents—Washington, Jefferson, Madison, Monroe, W. H. Harrison, Tyler, Taylor and Wilson.