

HOUSE OF REPRESENTATIVES—*Thursday, September 6, 1973*

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

He endured as seeing Him who is invisible.—Hebrews 11: 27.

Our Heavenly Father, we pray that our recess may have renewed us in body and in spirit giving us added strength and increased stamina for the duties that now demand our attention.

Help us to do our work worthily and willingly that the results of our labor may be in the best interest of our country.

Teach us the lesson that the past is past and may we learn from it; that the present is present and may we live and labor in it to make this day and the days to come a vision of hope, a dream of happiness, and a realization of peace for our people and for all mankind.

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. Arrington, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9590. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9590) entitled "An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MONTOYA, Mr. McCLELLAN, Mr. BAYH, Mr. McGEE, Mr. BELLMON, Mr. YOUNG, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1081) entitled "An act to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. BIBLE, Mr. JOHNSTON,

Mr. HASKELL, Mr. FANNIN, Mr. HANSEN, and Mr. HATFIELD to be the conferees on the part of the Senate.

THE LATE HONORABLE J. V. GARY

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

Mr. SATTERFIELD. Mr. Speaker, it is with great sadness that I report the death this morning of former Congressman J. V. Gary, after a long illness. I rise at this time to announce to the Members of the House that at a later time I shall seek a special order for appropriate remarks in his memory.

CAMBODIA ACCOUNTING

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

Mr. ADDABBO. Mr. Speaker, I have today written to Defense Secretary Schlesinger requesting that he furnish the House Appropriations Committee with a complete accounting of expenditures in connection with the recently disclosed bombing missions over Cambodia.

In my letter to the Secretary, I stated that—

The Congress and the American taxpayers have a right to know how much was spent to finance secret bombing raids and from what part, or other allocated funds of the budget these funds were diverted. The right of the Legislative branch—and particularly the Appropriations Committee—to have access to this information and a complete accounting with respect to the Cambodia air missions, has nothing to do with the merits of the secret bombings. I have been a critic of U.S. bombing policies throughout Southeast Asia in the past, but this inquiry is limited to the impact of the diversion of appropriated dollars on the legislative process in appropriating Defense Department funds in the future.

I am advising my colleagues of this request because I am convinced that we cannot vote intelligently on defense appropriation bills without knowing the extent of the administration's power to divert funds from authorized to unauthorized purposes. I suspect that the amount spent on the secret Cambodia bombing raids—when revealed—will prove to be a staggering sum. The administration has a duty to Congress and to the country to disclose all the financial details of those secret bombing missions.

PERSONAL EXPLANATION

Mr. ADDABBO. Mr. Speaker, on yesterday's rollcall No. 435 I am recorded as not voting. I was present and voted "aye" for H.R. 8920, the Lead-Based Paint Poisoning Prevention Act.

PERSONAL STATEMENT

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

Mr. ERLENBORN. Mr. Speaker, on rollcall 426, I am recorded as having voted "yes." Although I may have pushed the "yes" button, my intention was to vote "no" as I had announced during the debate preceding the vote. Assuming the error was mine and not the electronic voting machine's, I would like to state for the record that I was and am opposed to adoption of House Resolution 518, providing for the consideration of S. 1264.

NATIONAL CANCER DAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the joint resolution (H.J. Res. 111) authorizing the President to proclaim September 8 of each year as "National Cancer Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 111

Whereas there is deep concern with the gravity and dreadfulness of cancer and its increasing death toll; and

Whereas there must be considerable work and devotion from all aspects of society toward the control of this disease; and

Whereas there is common concern of all of our citizens to create a new base for a national attack on cancer: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation each year designating September 8 as "National Cancer Day" and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of California: On page 2, line 1, strike out the words "each year".

On page 2, line 2, immediately following "September 8" and preceding the word "as", insert ", 1973".

On page 1, strike out the entire preamble.

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "Authorizing the President to proclaim September 8, 1973, as 'National Cancer Day.'"

A motion to reconsider was laid on the table.

TEACHER'S DAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of

the joint resolution (H.J. Res. 677) authorizing the President to proclaim the 28th day of September of each year as Teacher's Day, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 677

Whereas our teachers have an important responsibility in formulating the ideals and goals among our young; and

Whereas many of the strengths and weaknesses of our country's future leaders are greatly dependent upon the mental, spiritual, and leadership qualities of our teachers; and

Whereas our teachers have had many fine educational achievements; and

Whereas many years of exacting training is necessary for our teachers to prepare for their profession; and

Whereas our teachers have created a greater understanding between our young people and the other members of our society, thus helping to bridge the generation gap: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the 28th day of September of each year as "Teacher's Day" and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of California: On page 2, line 5, strike out the words "of each year" and insert in lieu thereof "1973".

On pages 1 and 2, strike out the entire preamble.

The amendments were agreed to.

Mr. GUBSER. Mr. Speaker, I will be brief, but wish to call to the attention of my colleagues the resolution which will be voted on shortly, to designate September 28 as Teacher's Day.

Although this resolution was initiated by several groups in my congressional district in California, its significance extends quite naturally to every part of the United States and indeed throughout the world. Wherever and whenever knowledge and skills are passed along to other people, there is a teacher whose dedication and inspiration are vital components of the learning process.

Teachers, whose efforts will mold the character that will determine the future of the Nation and the world, deserve the recognition given them by House Joint Resolution 677. I urge prompt passage of this measure.

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "Authorizing the President to proclaim the 28th day of September, 1973, as Teacher's Day."

A motion to reconsider was laid on the table.

JOHNNY HORIZON '76 CLEAN UP AMERICA MONTH

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the joint resolution (H.J. Res. 695) authorizing the President to proclaim the period of September 15, 1973 through October 15, 1973, "Johnny Horizon '76 Clean Up America Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 695

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month", and calling upon the people of the United States to observe such period with appropriate activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the three joint resolutions just passed.

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

There was no objection.

APPOINTMENT OF CONFEREES ON S. 607, LEAD-BASED PAINT POISONING PREVENTION ACT AMENDMENTS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 607) to amend the Lead-Based Paint Poisoning Prevention Act, and for other purposes with a House amendment thereto, insist on the House amendment to the Senate bill, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN and BARRETT, Mrs. SULLIVAN, Messrs. ASHLEY, MOORHEAD of Pennsylvania, STEPHENS, ST. GERMAIN, GONZALEZ, HANNA, WIDNALL, BROWN of Michigan, J. WILLIAM STANTON and BLACKBURN, Mrs. HECKLER of Massachusetts, and Mr. ROUSSELOT.

CONGRESSIONAL ACTION ON THE BUDGET

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

Mr. MAHON. Mr. Speaker, the President yesterday in his press conference alleged that the Congress is in the process of budget busting in the range of \$6 billion.

He stated and I quote:

It is very disconcerting to note that already before the Congress are spending proposals which if enacted would bust the budget to the tune of at least \$6 billion.

The figure cited by the President is somewhat confusing and difficult to identify with certainty. A few preliminary comments are in order at this time.

It must be agreed that if present trends continue, the Congress will be above the President's budget by the time our work is completed.

Thus far, the Congress has enacted legislation which is \$1.8 billion in 1974 outlays above the President's budget. In addition, one body or the other has passed legislation which is an additional \$2 billion above the budget. I am referring to the higher figure in cases where spending bills have passed both bodies. It also appears that the Congress will not take action on \$800 million in certain reductions which the President proposed in his budget. This is a total of some \$4.6 billion above the President's budget. Of course, many significant measures are as yet incomplete which will materially affect the final impact of further congressional actions.

Speaking only of appropriations—and I do not include funds mandated for expenditure in nonappropriation measures—I am hopeful that when the Congress completes its work on all appropriation bills for the session we will be below the President's budget in new budget authority. In order to achieve this, we will have to recommend significant reductions in bills not yet reported by the Appropriations Committee and we will have to hold the line in conferences with the Senate on bills which have passed the House.

It is clear that to hold the appropriation bills below the budget will be futile if backdoor and mandatory spending measures continue to exceed the budget. It is essential that the Congress practice fiscal restraint in connection with all such bills, not just those which are handled through the traditional appropriations process.

At a later time I shall provide more specific information as to the actions of Congress on the President's outlays budget and the new obligational authority budget.

NEW SPIRIT OF COOPERATION BETWEEN EXECUTIVE AND LEGISLATIVE BRANCHES

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

Mr. CONTE. Mr. Speaker, yesterday President Nixon, in a very informative press conference, stressed the importance of a new spirit of cooperation between the executive and legislative branches in the coming weeks on matters of great interest to the people of this country.

The majority leader of this body has sounded a similar note.

I commend the President for his initi-

ative and for his effort to redefine some of the priorities he feels must be dealt with before the end of this congressional session.

Certainly even the most casual observer of the Federal Government does not expect the President and the Congress to view every issue in the same light, or to resolve every controversy to the complete satisfaction of each.

However, as Mr. Nixon has indicated, there is room for—indeed, there is a great need for—a greater measure of cooperation between the two branches of Government than we have seen recently. This is especially true in those areas which he termed "bipartisan concerns."

I believe the Members of this body, having recently had the opportunity to gauge the feelings of their constituents back home, can agree with the President that rampaging prices, accompanied by severe shortages of vital products, constitute our most immediate domestic problem.

I believe the President's statement yesterday was appropriate, and I am hopeful that the cooperation he called for can be achieved to the benefit of all the people of this country.

CONFERENCE REPORT ON H.R. 6912, PAR VALUE MODIFICATION ACT

Mr. PATMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 6912) to amend the Par Value Modification Act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of July 31, 1973.)

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

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

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill H.R. 6912 provides for the official devaluation of the dollar as requested by the President early this year.

This conference report reflects the position of the House on every major point of difference. The House bill provided a traditional definition of the value of the dollar but the Senate bill provided a new definition stating the dollar in terms of a fraction of an ounce of gold. The conferees accepted the House language.

The House bill contained a section expressing the sense of Congress that international monetary reform should be expedited, urging the President to take steps to expedite discussions leading to monetary reform. The Senate bill contained no language to this effect and the Senate conferees accepted the House language.

On the question of unrestricted private ownership of gold, the House bill contained a provision lifting restrictions on private ownership of gold at a date to be determined by the President, specifically when the President finds and reports to Congress that elimination of restrictions on private gold ownership will not adversely affect the monetary position of the United States. The Senate conferees accepted this language.

The Senate bill contained an amendment limiting Executive impoundments of appropriated funds, but the House bill contained no language on this issue. The Senate receded and the conference bill contains no language on the impoundment issue. We maintained that House legislation on this specific subject was the appropriate vehicle for addressing this issue and I am glad to advise my colleagues that the Senate did accept our argument. The Senate bill also provided a ceiling on fiscal year 1974 expenditures and the Senate agreed to delete this provision from the conference bill.

The Senate bill also required the Secretary of the Treasury to issue regulations that would compel multinational corporations to submit detailed reports of foreign currency transactions. The House bill contained no provision on this and the conferees accepted a substitute proposed by the House which requires the Secretary of the Treasury to supplement existing reports on foreign currency transactions. This substitute has the full support of the administration.

Finally, the Senate bill carried an amendment prohibiting assistance to North Vietnam which was not included in the House bill. The conferees agreed to drop this provision since both sides felt this issue could be more appropriately addressed in other legislation. This is not to say that conferees approve in any way providing aid to North Vietnam, but merely that legislation on this question should be addressed in more appropriate legislative vehicles.

In short, the conferees were faced with seven issues and on these the Senate receded on all but one, and in that case a substitute we proposed was accepted. Altogether then, this conference fully reflects the position of the House and I urge adoption of the report.

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

Mr. Speaker, the Committee on Banking and Currency in the past several months has met at least eight or 10 times in conference with the Senate. I am pleased to report back to the Members concurrence with the chairman of our committee with regard to the outcome of this specific conference on H.R. 6912.

The conferees, as the chairman stated, report back primarily the House-passed version of this legislation. We did have a time in conference with several non-germane items which we were fortunate in not including in this conference report.

I personally would recommend to the House passage of this legislation. It is good legislation. It is necessary legislation. In fact, looking down the road, probably the only thing we can say here

is that we have been delayed a considerable amount of time in bringing this back to the House, but that is certainly not any fault of our Committee on Banking and Currency. We could probably blame the other body for a little delay in the passage of this conference report.

Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Speaker, I should like to second the statements of the distinguished gentleman from Ohio that the conference committee and the Committee on Banking and Currency should be commended for not allowing to be presented in this conference report the three totally non-germane amendments which the Senate had tacked onto our bill.

I believe it is worth noting that the bill passed the House late in May, and here it is September before we can bring a conference report to the House. I believe that shows some of the difficulty in dealing with the other body on these conference reports.

I recommend this conference report to the House.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, it is interesting to note that this authorizing legislation is finally apparently on the verge of being enacted.

I wonder if the chairman of the Committee on Banking and Currency or some member knowledgeable concerning this legislation can put some kind of a figure on the amount of money that has already been appropriated or authorized to take care of the maintenance of the value of the dollars that we have invested in various international lending and financial institutions abroad?

Mr. Speaker, in the absence of this legislation, in the absence of any authorization, how much money has already been appropriated or authorized? How many billions?

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

Mr. GROSS. I am pleased to yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, I will state to the gentleman from Iowa that several billion dollars are involved.

Mr. GROSS. How many billions?

Mr. PATMAN. Several billion dollars. We will have a statement as to how much is involved.

Mr. GROSS. The gentleman will have a statement when?

Mr. PATMAN. We will have a statement prepared soon.

The gentleman from Texas (Mr. GONZALEZ) will assist us in that.

Mr. GROSS. It is not going to be very helpful to have a statement sometime in the future when we are being asked in the House today to approve this conference report.

Mr. PATMAN. When the bill originally was up for consideration, we had a statement in the RECORD.

Mr. GROSS. A statement of what?

Mr. PATMAN. When we had a discussion of the bill.

Mr. Speaker, this is the conference

report, and when the bill was passed, we had all that information in the proceedings.

Mr. GROSS. We did not have at that time all of the authorizations and appropriations that have since been made because this legislation was originally before the House in May.

This is September, and appropriation bills have been passed, and authorizations have been approved in the interim. The gentleman cannot say that we have up-to-date figures on all of the millions that have been appropriated or authorized for this so-called shortfall of the dollar because of the devaluation which this conference report finally approves.

Mr. GONZALEZ. Mr. Speaker, I will answer the gentleman, if the gentleman will yield.

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

Mr. GONZALEZ. The gentleman's original question was: How much money has been appropriated for the purposes of maintenance of value because of the change in the par value of the dollar?

The answer to that is that thus far not one penny has been appropriated for maintenance of value because of this devaluation of the dollar reflected in this bill. However, when we first—

Mr. GROSS. If the gentleman will permit me to interrupt, the gentleman from Texas reads the legislation that comes to the House floor. We had the bill not long ago making appropriations to the Department of State, and the authorization for foreign aid, carrying a number of provisions for additional funds due to the devaluation of the dollar abroad.

Mr. GONZALEZ. Mr. Speaker, if the gentleman will recall, that proposition was for the purposes of taking care of the contingencies arising because of the fluctuations in the market in certain areas of the world.

Mr. GROSS. No. Mr. Speaker, it was specifically stated in that bill and it was specifically stated in the report that the money was being made available, the millions of dollars in that bill was being made available to take care of the shortfall because of the devaluation of the dollar which this conference report finally approves.

Mr. GONZALEZ. Mr. Speaker, I am sure the gentleman recognizes that then, at the time this bill was being debated and presented to the House, we pointed out the approximate cost in order to maintain value on the international commitments that we subscribed to.

But the gentleman must also recognize that the Committee on Appropriations is the only committee that can come in with the maintenance of value appropriation that will be reflected as a result of the approval of this par value modification. That has not yet been presented, but we did anticipate some action. In fact, I was one of those who insisted that the administration tell us what the cost would be of the amounts of devaluation last March or last February.

The SPEAKER. The time of the gentleman from Iowa (Mr. Gross) has expired.

Mr. J. WILLIAM STANTON. Mr.

Speaker, I yield 2 additional minutes to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. But, Mr. Speaker, we do not here as of today in the final consideration of this legislation have any information as to how many millions or billions of dollars have been made necessary for authorization or appropriation because of the devaluation of the dollar; is that not true?

Mr. GONZALEZ. Yes. It was our estimate in February and March—and it has been confirmed by the administration—that the approximate cost in terms of an appropriation bill that was presumed to be presented later by the Committee on Appropriations will be around \$2½ billion.

Mr. GROSS. At least that much. I will be awaiting that with interest when we get the foreign aid bill; when the gentleman from Louisiana (Mr. PASSMAN) comes up with his foreign aid appropriation bill, to see what figures he has that are attributable to this so-called maintenance of value—this business of taking care of the dollar devaluation in the interest of the foreigners.

I know of no one who has taken care of devaluation so far as John Q. Citizen in this country is concerned.

Mr. GONZALEZ. The gentleman recognizes that we spoke out with respect to that and we deplore the fact that we were having successive devaluations for that reason. In fact, I was the one who kept reminding not only the administration but my colleagues on the committee that this bill carries a price tag; you do not willy-nilly devalue—there is a price tag, naturally, but it yet has to be presented.

Mr. VANIK. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. VANIK. I would like to inquire what would happen if we took no action on this legislation at all?

Mr. GROSS. I will say to the gentleman I do not think anything would happen, because in the absence of this authorizing legislation the U.S. Government and Congress has gone right ahead and made hundreds of millions of dollars available to take care of the shortfall in the dollar abroad.

Mr. VANIK. The deed is done.

Mr. GROSS. The deed is done. They have gone right ahead and appropriated huge amounts of money without any authorization on the part of the Congress and in open violation of the law. It is a sad commentary on the conduct of both the Congress and the executive branch of Government.

Mr. J. WILLIAM STANTON. I now yield 4 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Speaker, I would like to call the attention of all Members to the first paragraph which appears in italics on the first page of the conference report, and I would like to read it to you:

That the first sentence of section 2 of the Par Value Modification Act is amended by striking out the words "one thirty-eighth of a fine troy ounce of gold" and inserting in lieu thereof the following: "0.828948 Special Drawing Right or, the equivalent in terms of gold, of forty-two and two-ninths dollars per fine troy ounce of gold".

Now, the last part of that is of particular importance. Officially by this action

we are recognizing that the dollar is worth forty-two and two-ninths dollars per fine troy ounce of gold.

The question has been asked here today what will happen if we do not pass this conference report. My reply is this will simply be a stimulant for those people who are speculating in gold to go out and buy more gold which will further devalue the dollar.

Regardless of this conference report, the world price of gold during the last month—and I have not had a chance to check it in the last 2 or 3 days—has fluctuated from between \$127.50 per fine troy ounce of gold and \$98 per fine troy ounce of gold. So all we are doing is making an official pronouncement that, in this Nation, \$42 and a fraction per fine troy ounce of gold is the figure which we officially recognize.

I would like to say, also, to the gentleman from Iowa, my distinguished colleague, H. R. Gross, that frankly we should never have gotten into this position. As far as what the cost of this devaluation is going to be, whether it is \$2.5 billion or \$3.5 billion or even \$4 billion, it falls into insignificance if we take into consideration the fact that this Government owes something substantially over \$470 billion at the present time.

We are paying close to \$40 billion annually in interest on what we owe. It is this that has weakened the American dollar.

If this Congress can finally reach a point where we have a balanced budget, where we can start to pay off some of the money we owe, then that is going to strengthen the U.S. dollar and bring the price of gold down so as to discourage the speculators from continuing to deal in gold.

So, Mr. Speaker, I urge the adoption of this conference report, which I think is an excellent one.

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

Mr. WIDNALL. Mr. Speaker, I am very pleased at last to participate in bargaining back to the House the conference report on H.R. 6912, the Par Value Modification Act Amendments of 1973.

As my colleagues well know, this bill has undergone a long and tortuous route in gaining congressional ratification of an action by the Executive which was taken some months ago.

Specifically, of course, that action was to modify the relationship between the dollar and gold by devaluing the dollar by 10 percent. The act authorizes and directs the Secretary of the Treasury to take the steps necessary to establish the new par value of the dollar at forty-two and two-ninths dollars per fine troy ounce of gold, or stated in terms of Special Drawing Rights, 0.828948 SDR per dollar.

As the House passed its version of this bill, there is a sense of Congress section which urges the President to take all appropriate action to expedite the realization of the international monetary reform agreed to at the Smithsonian Institution on December 18, 1971. I would draw my colleagues' attention to the fact

that later this month the International Monetary Fund will convene for its annual meeting and I am most hopeful that at that time the United States will have an opportunity to make significant progress in pursuance of the goal stated in this section.

A further provision with regard to the private ownership of gold conforms to the position taken by the House when the bill was under consideration here. The net effect of section 3 is that any prohibition against any U.S. citizen purchasing, holding, selling, or otherwise dealing with gold will be eliminated as soon as the President finds and reports to the Congress that international monetary reform has proceeded sufficiently so that the U.S. international monetary position would not be adversely affected by such an action. The Treasury Department strongly supports the provision in this form on the basis that setting a specific date for removal of regulations, whether this year or sometime in the future, could cause speculation about what will happen to the gold price when restrictions are removed. The Department's position presently is that gold is not a satisfactory basis for the international monetary system and the United States seeks to reduce the future role of gold in this system. It is contended that action at this time setting a specific date for private ownership could undermine the U.S. position at this very crucial juncture in our monetary negotiations. Again, I would observe that the impending IMF conference provides the setting in which the necessary monetary reform could take place and thus allow American citizens, once again, to own gold.

The House conferees bring back from the conference one provision which was not an integral part of the bill which the House passed. However, I feel it is a desirable and useful provision in that it deals with the reporting of foreign currency transactions. I will not repeat again the basis and authority contained in title II, but I would like to comment on certain of its aspects.

We have all heard a great deal in recent months of the activities of financial officers of multinational corporations and the exercises which they undertake in order to protect their operations from the vicissitudes of the international money market. It has been claimed by some that these activities have not all been carried out defensively but have smacked of speculation and have actually taken on more of the character of arbitrage than simply meeting the monetary needs of the day-to-day trading operations of these companies. I do not claim and I do not believe the conferees hold that this is completely true or completely untrue. However, no one would doubt that the movements of this highly liquid capital can have great repercussions within the international monetary system.

For this purpose, the authorities now vested in the Secretary of the Treasury would well be supplemented by a power to collect and evaluate additional data on the nature and source of these money flows in order to determine the effect that they have on the interrelationships of various currencies.

Accordingly, title II authorizes and directs the Secretary of the Treasury to require additional reports on foreign currency transactions conducted by any U.S. entity or U.S.-controlled foreign entity.

Both injunctive relief and civil penalties are provided as enforcement measures to assist the Secretary in carrying out this function.

The final language of title II was drawn up by the conferees on the basis of the Senate provision with certain modifications having been made which principally relate to the statement of findings. It is my understanding that the title as it is reported back by the conference committee is acceptable to the Treasury Department, and that the Department can put this additional authority to good use in quantifying and evaluating these financial flows and their effects on both the international and U.S. monetary situation.

In sum, it is my conviction that this conference and the legislation which it has produced will serve to benefit the international monetary system in general and our Nation in particular. This is true even though the basic action which is taken by the bill might seem to be outdated in view of the de facto developments in monetary circles which have occurred since last February 12. Procedurally, it is a necessary step for the Congress to ratify the President's action. I urge the support of my colleagues for the conference report on H.R. 6912.

The SPEAKER. Does the gentleman from Texas have further requests for time?

Mr. PATMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, awhile ago we had a couple of questions that I think are extraneous to the basic issue here today. This par value modification bill should have been acted upon some time ago, and it is unthinkable that the House or the Senate would not now act expeditiously. Let us look at the accomplishment that is reflected in this conference report. It is a tremendous tribute to the chairman of the committee. We went into a conference that conceivably could have been tied up in knots to this day because of the issue involved, and yet we came out of the conference with every single House position contained intact in this conference report. Every position that we debated and adopted in the House is reflected in this conference report.

One of the things that received quite a bit of attention and discussion was the question of the unrestricted private ownership of gold.

The conference report provides that when and if the President finds and reports to the Congress that it is safe to do so, he shall then pronounce and declare permission for the private unrestricted ownership of gold.

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

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

Mr. GROSS. Mr. Speaker, that provision is the worst kind of window dressing that could possibly be put in the bill,

because the gentleman in the well of the House well knows that we have not had a President from Franklin D. Roosevelt down to the present day, including the present President of the United States, who was or is about to permit the American people to own gold and use it as a medium of exchange. So this provision is nothing more or less than window dressing.

Mr. GONZALEZ. The gentleman from Iowa must surely recognize the fact that just because previous Presidents have not done certain things this one will not, and in view of the track record here of the last 4 or 5 years, we can hardly predict that something as unexpected as that is not liable to happen.

Seriously speaking, it would be unthinkable to let our country renege on binding international agreements that we must uphold. The administration would be not only seriously embarrassed as the current administration in power, but I think it would reflect on us as responsible legislators if we fail to approve this report.

Whether we agree or deplore, and I deplore it, devaluation is no longer the issue. This is an accomplished fact brought about by the administration's failure to accomplish its economic objectives, and this conference report needs to be adopted.

Mr. Speaker, I urge my colleagues to adopt this conference report.

Mr. PATMAN. I yield 5 minutes to the gentleman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, there is understandably some confusion about the status of legislation dealing with gold ownership. The Senate has passed two bills dealing with private ownership of gold. One is the par value modification bill, on which the conference report is now being debated, and the other is S. 1141, providing for special commemorative coinage to mark the Nation's Bicentennial. The gold ownership provisions adopted by the Senate in those two separate bills were not identical, which adds to the confusion. I am sure many of the Members have received mail from constituents urging them to support the gold ownership provisions of the Bicentennial coinage bill, because there have been many calls to my subcommittee from congressional offices asking for information on this.

Here is what happened: when the par value modification bill was being held up in conference, in a dispute between the two Houses over the impoundment issue, the Senate was considering the Bicentennial coinage bill and Senator DOMINICK offered a gold ownership amendment to that bill which was different from the position the Senate had taken on this question on the par value modification bill. And it was adopted. The Senator said he would continue to offer gold ownership amendments to every bill which came along until the par value modification bill got out of conference. Originally, the Senate voted to remove all restrictions on gold ownership as of December 31, 1973. On the Bicentennial coinage bill, the amendment provided that the restrictions be terminated as of January 1, 1975.

The Banking and Currency Committee has reported its own bill on Bicentennial coinage, H.R. 8789, and there is no provision in it dealing with gold ownership. It would not be germane to the Bicentennial coinage bill in the House.

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

Mrs. SULLIVAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, may I ask the chairman of the committee a question: Is this not the first time the House has been called upon to recognize officially special drawing rights or paper gold?

Mr. PATMAN. No. I could not answer the question as fully as I would like to on the facts, but the gentleman from Wisconsin (Mr. REUSS) knows about this and I defer to him.

Mr. REUSS. Mr. Speaker, if the gentlewoman will yield, in answering the question of the gentleman from Iowa, yes, the House has very considerably 3 years ago passed legislation approving special drawing rights after extended hearings and lengthy debate.

Mr. GROSS. I thank the gentleman and the gentlewoman.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I intend to vote against this conference report for one reason, and one reason only. The conferees brought back the House provision relative to the private ownership of gold. It would permit the ownership of gold only after the President reports to the Congress that such ownership would not adversely affect the international monetary position of the United States. This is a meaningless gesture.

Mr. Speaker, I much prefer the Senate amendment, which would have legalized the private ownership of gold as of December 31, 1973. I think the American people have every right to own gold and we should restore this right to them.

For that reason, I intend to vote against this conference report.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I simply want to commend my colleague from Ohio (Mr. LATTA) for his position on this Par Value Modification Act because of the action taken by the conferees on the question of gold ownership.

As all Members are well aware, I have more than a casual interest in the question of the right of Americans to own gold and submitted an amendment that would have put the language of the House bill in conformity with that of the Senate. My recollection is that the Senate by a vote of 68 to 22 supported the restoration of the right of American citizens to buy, sell and hold gold as of December 31 of this year. In the conference I attempted to get consideration of a possible compromise between House and Senate language, which was my understanding of what conferees are supposed to do.

The Senators fell back to a compromise position of the restoration of the right

to buy, sell, and hold gold by moving the date up to December 31, 1974, which would have certainly given the people at the Treasury more than enough opportunity to meet the objectives of international monetary reform.

Notwithstanding the fact that the House by a tie vote defeated the December 31, 1973, date and the Senate by a 3-to-1 margin supported it, the House conferees rejected cavalierly any effort by the Senators to find a compromise.

For this reason, I oppose this legislation also. I think it tramples upon the will of the Senate as expressed by an overwhelming margin, and the will of at least 50 percent of the Members of this body.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. ROBINSON of Virginia. Mr. Speaker, I have been pleased to note that the conference report before us, relating to the bill H.R. 6912, which has as its principal purpose the adjustment of the par value of the dollar in terms of gold, includes a permissive provision which, in due course, should restore to citizens of the United States the privilege of buying and holding gold.

While the conferees' version of H.R. 6912 does not establish a priority for citizens of the United States in the matter of purchase of gold which might be released from Federal holdings, as would be urged by enactment of House Resolution 289, of which I am a cosponsor with the gentleman from Illinois (Mr. CRANE), I welcome the opportunity to support the provision of H.R. 6912 which endorses the free and open sale of gold at such time as the President might decide such sale would not affect adversely the international position of the dollar.

At such time as H.R. 6912 might become law, I hope the President may decide that it is prudent and appropriate for citizens of the United States to buy and possess gold, in common with the citizens of most of the other nations of the world.

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

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 322, nays 59, answered “present” 1, not voting 52, as follows:

[Roll No. 437]

YEAS—322

Abdnor	Andrews, N. Dak.	Barrett	Hansen, Idaho	Poage
Abzug	Annunzio	Bergland	Harrington	Podell
Adams	Archer	Biaggi	Harsha	Powell, Ohio
Addabbo	Arends	Biester	Harvey	Preyer
Anderson, Calif.	Armstrong	Bingham	Hastings	Price, Ill.
Anderson, Ill.	Ashley	Boggs	Hawkins	Pritchard
Andrews, N.C.	Aspin	Boland	Hebert	Quie
		Boiling	Hechler, W. Va.	Railsback
			Heckler, Mass.	Randall
			Heinz	Rangel
			Helstroski	Rees
			Henderson	Regula
			Hicks	Reuss
			Hillis	Rhodes
			Hogan	Rinaldo
			Holtzman	Roberts
			Horton	Robinson, Va.
			Hosmer	Robison, N.Y.
			Howard	Rodino
			Hungate	Roe
			Ichord	Rogers
			Jarman	Roncallo, N.Y.
			Johnson, Calif.	Rose
			Johnson, Colo.	Rosenthal
			Johnson, Pa.	Rostenkowski
			Jones, Ala.	Roush
			Jones, N.C.	Roy
			Jordan	Ruppe
			Karth	Ruth
			Kastenmeier	Ryan
			Kazan	St Germain
			Keating	Sarasin
			Kemp	Sarbanes
			Ketchum	Schneebeli
			Kluczynski	Schroeder
			Koch	Sebelius
			Kyros	Seiberling
			Landrum	Shoup
			Leggett	Shriver
			Lehman	Sikes
			Lent	Skubitz
			Litton	Slack
			Long, La.	Smith, Iowa
			Lott	Smith, N.Y.
			McClory	Staggers
			McCloskey	Stanton,
			McCollister	J. William
			McCormack	Steed
			McDade	Steele
			McFall	Steiger, Wis.
			McKay	Stephens
			McKinney	Stokes
			Macdonald	Stratton
			Madden	Studds
			Madigan	Sullivan
			Mahon	Symington
			Malliard	Talcott
			Mann	Taylor, N.C.
			Maraziti	Teague, Calif.
			Martin, Nebr.	Teague, Tex.
			Martin, N.C.	Thompson, N.J.
			Mathias, Calif.	Thomson, Wis.
			Mayne	Thorne
			Mazzoli	Thornton
			Meeds	Tierman
			Melcher	Udall
			Metcalfe	Ullman
			Mezvinsky	Van Deerlin
			Milford	Vander Jagt
			Miller	Veysey
			Minish	Vigorito
			Minshall, Ohio	Walsh
			Mitchell, Md.	Wampler
			Mitchell, N.Y.	Ware
			Mizell	Whalen
			Moakley	White
			Mollohan	Whitehurst
			Montgomery	Whitten
			Moorhead,	Widnall
			Calif.	Wiggins
			Pa.	Williams
			Morgan	Wilsons
			Mosher	Charles H.,
			Moss	Calif.
			Murphy, Ill.	Wilson,
			Murphy, N.Y.	Charles, Tex.
			Natcher	Winn
			Nedzi	Wolf
			Nelsen	Wright
			Nix	Wyatt
			Obey	Wydler
			O'Brien	Wylie
			O'Hara	Wyman
			Owens	Yates
			Patman	Yatron
			Patten	Young, Ga.
			Pepper	Young, Ill.
			Perkins	Young, S.C.
			Pettis	Young, Tex.
			Peyser	Zablocki
			Pickle	Zion
			Pike	Zwach

NAYS—59

Ashbrook	Flynt	Nichols
Bafalis	Foley	Passman
Baker	Goldwater	Price, Tex.
Bauman	Goodling	Rarick
Beard	Gross	Riegle
Bennett	Guyer	Roncalio, Wyo.
Bevill	Hinshaw	Rousselot
Brinkley	Holt	Satterfield
Burgener	Huber	Saylor
Burleson, Tex.	Hudnut	Shuster
Byron	Hunt	Snyder
Clancy	Hutchinson	Spence
Conian	King	Steelman
Crane	Kuykendall	Steiger, Ariz.
Daniel, Robert	Landgrebe	Symms
W., Jr.	Latta	Towell, Nev.
Dennis	Long, Md.	Treen
Devine	Lujan	Vank
Dickinson	Michel	Wilson, Bob
Evens, Tenn.	Myers	Young, Fla.

ANSWERED "PRESENT"—1

Stuckey

NOT VOTING—52

Alexander	Giaimo	Quillen
Badillo	Gray	Reid
Bell	Griffiths	Rooney, N.Y.
Blackburn	Gubser	Rooney, Pa.
Blatnik	Hanrahan	Royal
Breckinridge	Hansen, Wash.	Runnels
Brown, Ohio	Hays	Sandman
Broyhill, Va.	Holifield	Scherle
Clawson, Del	Jones, Okla.	Shipley
Collins, Tex.	Jones, Tenn.	Sisk
Conyers	McEwen	Stanton
Corman	McSpadden	James V.
Davis, Ga.	Mathis, Ga.	Stark
Davis, S.C.	Matsunaga	Stubblefield
Delaney	Mills, Ark.	Taylor, Mo.
Diggs	Mink	Walde
Fisher	O'Neill	Young, Alaska
Fuqua	Parris	

So the conference report was agreed to. The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Giaimo.
Mr. Holifield with Mr. Bell.
Mr. Hays with Mr. Del Clawson.
Mr. Rooney of Pennsylvania with Mr. Fisher.

Mr. Gray with Mr. Blackburn.
Mr. Delaney with Mr. Davis of Georgia.
Mr. Reid with Mr. Gubser.
Mr. Shipley with Mr. Brown of Ohio.
Mr. James V. Stanton with Mr. Hanrahan.
Mr. Walde with Mr. Collins of Texas.
Mr. O'Neill with Mr. McEwen.

Mr. Fuqua with Mr. McSpadden.
Mr. Corman with Mr. Davis of South Carolina.

Mr. Conyers with Mr. Badillo.
Mrs. Griffiths with Mrs. Hansen of Washington.

Mr. Blatnik with Mr. Mills of Arkansas.
Mr. Diggs with Mrs. Mink.
Mr. Breckinridge with Mr. Parris.

Mr. Alexander with Mr. Broyhill of Virginia.
Mr. Sisk with Mr. Quillen.

Mr. Stark with Mr. Royal.
Mr. Jones of Tennessee with Mr. Runnels.
Mr. Stubblefield with Mr. Young of Alaska.
Mr. Mathis of Georgia with Mr. Taylor of Missouri.

Mr. Matsunaga with Mr. Sandman.
Mr. Jones of Oklahoma with Mr. Scherle.

The result of the vote was announced as above recorded.

A motion to reconsider 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 and include extraneous material on the conference report just agreed to.

The SPEAKER. Is there objection to

the request of the gentleman from Texas?

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

CONFERENCE REPORT ON S. 1672, AMENDING THE SMALL BUSINESS ACT

Mr. PATMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 1672) to amend the Small Business Act, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 1, 1973.)

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

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

There was no objection.

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

Mr. Speaker, the conference report before this body today on S. 1672, which amends the Small Business Act, is made up almost entirely of those provisions adopted by this body. When the two Houses went to conference on the legislation, the House was successful in maintaining all of its provisions in the agreed-upon conference report.

I will not take up a great deal of time discussing the individual provisions of the legislation since copies of the conference report are available. Let me just point out that the legislation contains what I feel is a very liberal disaster assistance program for homeowners and businesses which is identical to the House-passed version. In addition, agricultural operations will receive the same disaster assistance as those afforded to businesses and homeowners. And for the first time erosion will qualify for disaster assistance under both the Small Business Act and the Disaster Relief Act of 1970. This was one of the most discussed features of the bill when it was before the House, and I am certain that Members will be pleased to know that that feature was retained in the bill.

The agreed-upon legislation also contains a provision to provide assistance to small businesses in connection with the closing of a military installation.

Mr. Speaker, this is an important piece of legislation and one that we must act on immediately since the ceilings under which the Small Business Administration operates will be reached shortly, and

without section I of the legislation which raises these ceilings, the operations of the Small Business Administration will be severely limited.

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

Mr. Speaker, I rise to discuss the conference report on S. 1672 with mixed feelings. I think it is fair to say that on the major points of difference the House provisions prevailed. Yesterday the House rejected a conference report on House Joint Resolution 512 which reflected the obstinacy of the other body and its total disregard for the rules of the House. Two provisions in this report reflect that same attitude but because they are minor matters—and in one instance really result in equity—I believe the conference report represents a victory for the House position and would normally deserve your support.

Despite this, I believe this bill as compromised has some provisions which are so questionable that they may well merit a veto. I would like to lay some of these issues before you because, very frankly, I think they highlight some of the conflicts between the questions of Presidential powers versus congressional powers and the pragmatic political considerations which face Members of this body every other year.

Actually, this bill deals with two very different matters. One is the matter of Federal assistance to small businesses; the other is Federal assistance to the victims of natural disasters. The former is essentially noncontroversial; our treatment of the latter is about to make us the laughing stock of legislatures the world over.

Few would disagree that under the capable administration of our former associate Tom Kleppe, Federal assistance to small business has been accelerated and improved. That is not to say it is perfect or that we cannot point out additional areas of need. Of course we can and we do. Sections 2, 8, 9, and 10 of this bill are reflections of our feelings that legislative or administrative modernizations of the SBA program are needed. And, who could argue with section 1 which merely increases the ceilings under which loans or guarantees of loans can be made without budgetary impact? This increase is a reflection of the aggressive way the Small Business Administration has advanced its assistance to small businessmen.

In lauding SBA's accomplishments in assisting small businessmen in the pursuit of their normal business objectives, I do not mean to demean the need or the justice of assistance to individuals, small businesses, or communities injured by natural disasters. But I do want to differentiate clearly between the sound, ongoing assistance it provides and the charitable or social welfare responsibilities which we have imposed on the agency. These are apples and oranges and they should not be mixed.

Let me turn now to disaster relief assistance. I said a moment ago that our actions on this score may make us the laughing stock of legislatures the world over. I am referring, of course, to the unbelievably inconsistent approach we have made to the question.

Back in August 1972 when we passed Public Law 92-385, we increased the forgiveness feature on disaster loans to \$5,000 despite ample evidence that previous forgiveness provisions were highly inequitable and widely abused. I suppose to convince ourselves we were acting responsibly we ordered the President to conduct a thorough review of existing disaster relief legislation in order to submit specific legislative proposals for the comprehensive revision of such legislation. If memory serves me correctly, we did reach agreement during the debate on that bill that because of jurisdictional and related problems that we were dealing with the problem on a piecemeal basis prompted by unrelated incidents and that we did need some kind of national policy spelling out a comprehensive disaster relief program. Calling for such a policy was certainly a step in the right direction.

On May 14 of this year, the President responded to that directive with a message of "New Approaches to Federal Disaster Preparedness and Assistance." That message was accompanied by a legislative proposal which is now before the Committee on Public Works. But, even before this proposal could be considered, the House Committee on Agriculture reported out H.R. 1975, which we promptly passed, and which the President signed on April 20 of this year. This eliminated the forgiveness feature on disaster loans but made them eligible for a 5-percent interest rate. Now, less than 5 months later, and still without considering the President's comprehensive disaster relief program which we ourselves asked for, we are going to reverse that action and approve a \$2,500 forgiveness or a 1-percent interest rate. Is this the kind of action which will convince the American people that Congress should lead the Nation?

And, where do we draw the line between disaster and man's own folly or neglect? Section 7 of this bill provides for loans for erosion assistance. When your committee considered this question of loans for erosion assistance, we had it clearly in mind that we intended this to be for erosion resulting from water action associated with a disaster. That intent seems to have been eroded by subsequent action. If it is not clearly honored there is absolutely no limit to what this bill may cost. Wind, rain, and the natural flows of streams and rivers cause the kind of erosion this legislation was not intended to cover. Can you imagine some Indian tribe laying claim to the Grand Canyon and seeking a loan to fill it in and make the land arable again. Certainly this does not represent the kind of erosion your committee intended to cover but my reservations about the language the conference committee adopted contribute to my reservations about this bill.

In summary, let me repeat that sections 1, 2, 3, 8, 9, and 10 of this bill are essentially sound and desirable amendments to a well-run program of assistance to small businesses. Sections 4, 5, 6, and 7 are questionable. They are inconsistent with past actions we have taken, they may be extremely costly, and action

on them should be deferred until we consider a comprehensive disaster relief program. Let me point out that I realize full well that we have Federal grants or other forms of aid for many things. I think it is entirely likely that we might agree that we can and should be more generous to disaster victims than the Disaster Relief Act proposes. However, I think that the time to consider that question is in conjunction with that bill.

I have set forth my reservations about this bill in the hope it will help other Members make up their minds about it. I am told the President will veto this bill if we enact it in its present form. I am sure it will be a hard decision for him, as it is for me, to decide whether more harm or good will result from its enactment.

Mr. PATMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I commend this bill to my colleagues' attention, knowing that we have considered the Small Business Act an essential Government service. I am pleased, too, to offer a nonpartisan comment that our former colleague, Tom Kleppe, has proven an able and thoughtful administrator of the Small Business Administration. But my special purpose here is to endorse that section of the report which authorizes loans to small businesses harmed by military base closings.

In my home city, the Laredo Air Base has been closed. Were it not for my obligation to be here in the House today, I would be in Laredo, participating in a meeting of community officials and leaders with a team for the Defense Department's Office of Economic Adjustment. That meeting is one of a series aimed at helping the city of Laredo face the impact of the base closing.

Believe me, the impact is heavy. Most of us have seen regions ravaged by floods or storms, and know how homes and business places can be swept away by the furies of nature. Government can loose the same destructive force by decisions that it has to make—decisions such as closing a base that has provided the economic foundation for many small businesses. I believe all will agree that such action can be a disaster. It is for that reason that I welcome expansion of the Small Business Administration's potential service, and urge support of this bill.

Mr. PATMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. STEPHENS), chairman of the Small Business Subcommittee.

Mr. STEPHENS. Mr. Speaker, as chairman of the Subcommittee on Small Business, I ask the House to adopt this conference report so that the nearly 5 million small businesses in this country can continue to draw on the vital services that they receive from the Small Business Administration. I would also like to take a few moments to discuss the disaster relief section contained in the legislation.

The disaster relief provisions in the legislation were never intended to be permanent fixtures on the statute book. This is the reason the legislation contains an expiration date of July 1975 for

the disaster provisions. In April of this year we removed the \$5,000 and 1-percent disaster relief program which had been in operation for more than a year and substituted for that program a system of loans without any forgiveness and carrying a 1-percent interest rate. There has been a feeling on the part of many that the disaster program adopted in April of this year worked too great a hardship on people who had suffered severe damage as a result of disasters, particularly those who had lost their homes and would be faced with refinancing an existing long-term mortgage. In the legislation that we are considering today as part of the conference report, a new disaster relief program is established. It provides for a \$2,500 forgiveness with a 3-percent interest or if the borrower chooses not to exercise the forgiveness feature, the entire loan will be written at a 1-percent interest rate.

These, of course, were the provisions of the House-passed bill and provide a balance between the \$5,000 forgiveness and the no forgiveness feature of the two previous bills. The object of this legislation is to provide an equitable form of disaster relief while permanent disaster legislation is being worked out. In the past, disaster legislation has been written for the most part at times when a major disaster had recently occurred and there was a need to enact legislation on a crash basis. Enactment of S. 1672 will give the Congress 2 years with which to come up with a disaster relief program that will be both compassionate and meaningful and will avoid many of the pitfalls that we have found in previous disaster relief programs. This is a sound approach, and while there may be some who find that not all of the features of S. 1672 are what they would like them to be, I urge Members to support the conference report so that all of the problems can eventually be resolved.

We are moving into the hurricane period in this country, and already one hurricane has struck the country this month. It is, therefore, imperative that we take immediate action so that those facing potential disasters will know that there is some place for them to turn for adequate assistance.

Mr. WIDNALL. Mr. Speaker, at this time I yield to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I rise today in unequivocal support of S. 1672, a bill to amend the Small Business Act, as agreed upon by the House and Senate managers in House Report No. 93-428.

I am particularly interested in the section added by the conferees dealing with disaster relief assistance to homeowners and small businesses. Last month, torrential rainstorms swept the New York metropolitan area, leaving in its wake devastation of untold magnitude. Residents of many communities of the 12th Congressional District of New Jersey were particularly hard hit. Many of them asked me about the \$2,500 forgiveness on loans whose balances could be financed at 3 percent and the loans that could be financed at the rate of 1 percent. I had to tell them that these provisions ended on April 30 of this year.

However, the action of the conferees in restoring these features has given new hope to those victims of flooding in my district and in other parts of the Nation. Under the provisions of the conference report, the forgiveness and lower interest features would be retroactive to April 20, 1973, and would terminate on July 1, 1975.

I cannot speak strongly enough in behalf of these proposals. It is important to remember that the SBA disaster loan program is designed to assist persons in economic straits, that is, who suffer economic hardship as a result of disasters such as hurricanes, floods, hailstorms, and so forth.

Moreover, the proposed legislation concerning disaster loans would run for 2 years. And during these 2 years, Congress is expected to adopt a long-term comprehensive disaster loan program, after due consideration and study.

Section 7 would add to the disaster relief program assistance to those who are economically injured by erosion of the soil. As my esteemed colleague in the House, Mr. STEPHENS of Georgia, explained recently:

When a flood comes, it can take loose soil and just destroy lawns, destroy yards, and everything around. A freshly plowed area can be washed away completely.

It is only common sense, therefore, to include erosion in a definition of natural disasters.

In behalf of the disaster victims of Plainfield, Cranford, Springfield, Union, Scotch Plains, Rahway, Clark, and Elizabeth and other hard-hit communities in the 12th Congressional District of New Jersey, I urge prompt enactment of S. 1672, a bill to grant the relief that only the Congress is in a position to provide from the high costs of repairing their property.

Mr. WIDNALL. Mr. Speaker, I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding to me.

I rise in support of the conference report.

Mr. Speaker, in expressing my support for the conference report to accompany S. 1672—Amending the Small Business Act—I am impressed by the provisions of section 7 which would make available loans and other relief to persons suffering damage from erosion caused by high water, wind-driven water and other types of erosion directly related to a flood on high water.

Many residents of my 13th congressional district have experienced serious damage from flooding and high water which would seem to qualify them for disaster relief under the provisions agreed upon by the conferees. It seems to me that disaster resulting from flooding, whether simply by a cloudburst or other excessive rainfall or by the type of erosion which occurs along the shores of our Great Lakes such as Lake Michigan or our great rivers, including the Fox River and the Des Plaines River in Illinois—which pass through my congressional district—the benefits of this

legislation should be made available equally to those who experience such disasters.

Mr. Speaker, I am pleased to indicate my support of this conference report and hope that it will receive the overwhelming support of my colleagues.

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

Mr. J. WILLIAM STANTON. Mr. Speaker, I reluctantly take the well at this moment because I feel dutybound to express, once again, to my colleagues my strong feelings on the subject matter that is before the House today.

The pending conference report is absolutely essential if we are to continue the majority of operations of the Small Business Administration. The increase in loan and commitment ceilings which this bill provides are necessary for the continuation of this office. I am personally convinced that the Small Business Act of 1973 is a big improvement over existing legislation. It provides new emphasis on availability of loans for women and veterans and speaks to the needs and objectives of the American small businessman. When this legislation was before the House on July 12, we had an excellent debate and, since the conference report basically reflects the vote of the majority of House Members, I felt no hesitation in signing it. I believe this is a basic responsibility of a conferee whether or not it reflects his or her own personal opinion.

However, I cannot, in all conscience, let this opportunity pass without pointing out to you what I consider to be extreme defects in this legislation. From the very beginning of this 93d Congress, we have heard much talk and rhetoric about the need for fiscal restraint and responsibility at this time in our history. The American people cry out for fairness and deliberation as we expend their hard-earned tax dollars. They also expect us to be responsible in organizing our governmental affairs in such a manner as to give them the most service for their tax dollars. In this conference report we accomplish neither.

It is hard for me to conceive that, after being in the disaster relief business for over 20 years, the Federal Government is still operating in a manner that would be more reminiscent of 100 years ago than today. The total lack of coordination on behalf of the Federal Government on the subject of disaster relief points out the failure of the Federal Government to respond responsibly and as economically as possible to meet demands of the citizens of this country.

Let us take a look at this. Yesterday, here in the House, we passed a mandatory flood insurance bill that will have far-reaching effect upon those who are hit by future disasters caused by floods and high water in this country. Today, in this conference report, we are assigning to the Federal Home Administration and the Small Business Administration legislation to cover disasters of all different types. In this conference report, for example, we have covered the subject of erosion for the first time, not

only under the Small Business Administration, but, equally, so we have amended the Disaster Relief Act of 1970 to cover the same subject. We have disasters declared by the Small Business Administration, Presidential disasters, disasters as defined by the Public Works Committee, and disasters as defined by the Department of Agriculture.

We have reached the point today, due to our legislative actions, where the Small Business Administration—originally enacted by Congress at the request of President Eisenhower to help small businessmen—is now devoting the majority of its time to helping and preparing disaster loans for private homes and individuals. In the desire of Congress to help the unfortunate caught in a disaster, we have foolishly spent hundreds of millions of dollars in a very cruel and unfair manner.

During the general debate on this bill, the gentleman from California (Mr. JAMES CORMAN) expressed it better than I can when he said:

I plead with the Banking and Currency Committee to give the American people a better disaster program. 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. These 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.

The gentleman from California (Mr. REES) stated during the general debate on this bill:

The problems with a flat forgiveness clause is that a person who really sustains a serious loss (say a \$40,000 uninsured loss) might get a \$2500 forgiveness or a 1 per cent loan. He still has a loan outstanding of perhaps \$25,000 or more. But, if we get another individual who might have a very small loss, let us say two or three thousand dollar loss, and that person is automatically forgiven, with a little manipulation, his entire loss.

In my opinion the program was originally designed not necessarily to help the small losses but to take care of the major losses which someone sustains when someone sustains the loss of his business or his home.

In early August, one of Ohio's outstanding newspapers, the Cleveland Press, ran a series of front page articles on the recent applicants who applied and received forgiveness loans in connection with Hurricane Agnes. Among those applying and receiving loans were prominent millionaire politicians and other industrialists. The newspaper interviewed many people who were quick to point out that the then \$5,000 forgiveness feature was the attraction for them applying for a loan. The article also pointed out that those who suffered substantial losses found the legislation beyond their financial ability to reconstruct and start over again.

My colleagues, there is one other important aspect of this conference report that I feel duty bound to point out to you. In the last paragraph of the report, you will notice that the conferees dis-

cussed the subject of previously declared disasters in which administrative deadlines had long ago been set. Specifically, I remember the case of Hurricane Agnes and its involvement with summer homes and cottages in lake areas in which the owners claim they did not observe the damages until coming to their cottages around Memorial Day and the original cutoff date was the middle of May. There was a couple of other examples. While this report was not finalized before we signed the conference report, I want to read to you the final paragraph:

In light of this, the Conference expect that both the Small Business Administration and the Farmers Home Administration will extend for 90 days after enactment of this Bill the deadline for seeking relief for previously declared disasters.

In the last 3 years alone we have had 267 declared disasters in this country. It is hard for me to conceive that it is the desire of the majority of the Members of this House to see reopened for 90 days after enactment of this bill all of these disasters in order to receive new applications.

Ladies and gentlemen, it has been pointed out to us that the Public Works Committee is now starting hearings on the Disaster Preparedness and Assistance Act of 1973. It is my sincere hope that the problems that I have just so lightly touched upon can be resolved by this committee and total Government efforts in the field of disasters can be coordinated under one agency so that we may begin to respond to the problems of our constituents with far greater efficiency and in a more businesslike manner than we are doing.

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

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ANNUAL REPORT OF U.S. PARTICIPATION IN UNITED NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 93-53)

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

To the Congress of the United States:

I am pleased to transmit to the Congress the 27th annual report on United States participation in the work of the United Nations during calendar year 1972.

This report reflects the increasing range of global concerns with which United Nations agencies are dealing. It highlights not only the opportunities but also the limits of operating through the United Nations system during an era of growing international interdependence.

In recent years, United Nations agencies have come to deal increasingly with the economic and technical agenda of the

world in addition to the long-standing agenda of peace and security questions. Indeed, as this account makes clear, these agencies are now engaged in some manner in virtually every governmental activity that crosses national lines.

The United States participated actively in these cooperative efforts to help safeguard peace and lessen world tensions, to foster economic and social progress, and to cope with a wide array of legal and technological problems.

Three themes characterized our participation during 1972:

- (1) Even though we recognized the limitations of the United Nations in solving or even abating many political disputes, we supported its participation where appropriate to reconcile such disputes, to curb international terrorism and outbreaks of violence, and to devise workable arrangements for peace-keeping operations. In order to serve the long-term interest of the international community, we worked in the General Assembly, the Security Council, and subsidiary bodies to have the United Nations deal evenhandedly and pragmatically with such politically-charged issues as the Middle East, decolonization, and human rights.
- (2) We took the lead in seeking new arrangements and institutions to deal with worldwide social and technological concerns. Although we encountered some resistance, we pressed forward toward the goals of assuring the safety of civil aviation, protecting the environment, checking the illicit flow of narcotics, organizing relief for victims of disaster, strengthening the law of the sea, and slowing world population growth.
- (3) We stressed the importance of having the United Nations act responsibly, equitably, and efficiently in ordering its financial and administrative affairs so that it could carry out its tasks more effectively. Progress was made in holding down the budgets of some agencies, budgeting procedures were improved, and the principle of a lower maximum ceiling for the United States assessment was endorsed. Nevertheless, the underlying financial problems were not solved and further administrative and procedural reforms are needed in the United Nations.

This report shows that, despite political and administrative shortcomings, multilateral agencies connected with the United Nations offered practical responses to worldwide problems of pressing concern to the American people. Given the fast pace of political, social, and technological change in recent years, it is not surprising that the record of accomplishment was uneven and there were setbacks as well as successes.

During 1972 developments at the United Nations were affected by certain long-term trends which both hold promise and pose problems for effective United Nations action.

—The loosening of old antagonisms, the entry of the People's Republic of China into the mainstream of United Nations work, and the growing importance of powers such as Japan could in the long run enable a near-universal United Nations to become a more effective instrument for dealing with serious world political and security problems.

—However, we also have to recognize that the continuing tendency to use the United Nations for propaganda advantage and to pursue political rivalries makes accommodation more difficult. For the near term, where the interests of its strongest members are engaged, the organization can deal only in a limited way with highly contentious political issues.

—The emergence in United Nations bodies and conferences of an active majority led by a number of the developing nations continued to make for some distortions in determining the areas of greatest United Nations attention. While we fully recognize the inherent right of all member nations to be heard, the voting weight of this majority, with its sometimes narrowly defined pre-occupations, has tended to create imbalance and to place strains on the effective functioning of the organization.

This report reflects the growing cohesion which has taken place among the third world countries, notably with respect to colonial issues and to demands that rules of international trade and aid be altered in their favor. We were particularly concerned when, under the pressure of bloc voting, the organization adopted one-sided resolutions on certain political issues or failed to take concrete action on such important matters as international terrorism. To call this trend disturbing is not to depreciate the value to the United States of multilateral institutions in which all nations can be heard on matters that affect their security and welfare, conciliation can be pursued, and vital public services can be provided for the international community.

We attempted to adjust our policy during 1972 to take account of these changes. It became increasingly clear that for the present the most productive possibilities for United Nations action are on global problems of an economic, social and technological nature. United Nations system expenditures reflected this concentration, with some 95 percent of the resources in 1972 going for programs designed to transfer techniques and skills to less developed nations, set standards for international behavior, and provide public services of benefit to all nations.

The following developments during the year were especially noteworthy:

We were gratified by the General Assembly's endorsement of the reduction of our United Nations budget assessment from 31.52 percent to 25 percent. We believe this to be a healthy development for the organization, which should not be unduly dependent on the contributions of one member. The maximum

assessment ceiling beginning next year is expected to fulfill the requirement enacted by the Congress that the United States should pay no more than 25 percent in the United Nations and in certain specialized agencies after January 1, 1974. The vote of over two-thirds in favor of our position reflected a widespread recognition of the equities involved and of political reality, as well as concern for the maintenance of generous United States voluntary contributions to United Nations development programs.

Following the landmark conference in Stockholm in June, the institutional foundation was laid for international action to protect the environment and a work program was initiated for this purpose. Measures were taken to deal with environmental problems such as pollution from ocean dumping and the preservation of natural, cultural, and historic heritage areas, and a United Nations fund for the environment, which I had recommended earlier, brought pledges from a number of nations.

On the other hand, a major setback was the United Nations failure to take strong and speedy international legal action to combat international terrorism and provide adequate protection for diplomats—measures advocated by the United States and other concerned nations. The Assembly did, however, set up a committee to study the comments of governments on the problem of international terrorism and submit a report to the next session. While we regret the delay, we hope that the Assembly can make progress on this issue this fall. Progress was made in the International Civil Aviation Organization on the matter of aircraft safety.

The United Nations also advanced its programs for delivering technical assistance to developing nations and setting standards for international behavior in specific fields.

Management reforms (notably adoption of a country programming system) were implemented which will enable the United Nations Development Program to handle an expanded program of technical assistance more efficiently.

The organization's capacity to respond to disaster situations was strengthened by the establishment of a United Nations Disaster Relief Office in Geneva, largely as the result of a United States initiative in 1971. The United Nations carried out an unprecedented number of relief activities, notably in Bangladesh and the Sudan.

There was growing cooperation in outer space. A United Nations working group cooperated in making available to other nations data from our first experimental satellite designed to survey earth resources, and the Convention on International Liability for Damage Caused by Space Objects, which had been negotiated by a United Nations committee, entered into force on September 1.

The momentum of international action against drug abuse was furthered in several ways: with the

drafting of an amending protocol to the 1961 Single Convention on Narcotic Drugs, through increased activity by and contributions to the United Nations Fund for Drug Abuse Control, and through a more active role by the International Narcotics Control Board.

The population program was placed on a sounder administrative footing by linking the United Nations Fund for Population Activities to the United Nations Development Program. Preparations were continued for the World Population Conference in 1974, which is expected to be as important as the 1972 environment conference.

Perhaps of the greatest potential significance were the steps taken to accelerate preparations for the Law of the Sea Conference, which will come to grips with such matters as the nature of the international regime for the deep seabed, the breadth of the territorial sea, free transit through international straits, fisheries, marine pollution, and scientific research. A successful resolution of these very difficult issues would help to prevent conflict and assure that the resources in and under the oceans will be equitably and rationally utilized.

The "quiet side" of the United Nations also produced important accomplishments which are covered in this report. Especially noteworthy were the International Atomic Energy Agency's expanded "safeguards" program to prevent the diversion to weapons use of nuclear materials intended for peaceful uses; the Inter-Governmental Maritime Consultative Organization's efforts at spurring agreement to control pollution from ocean dumping; the International Civil Aviation Organization's efforts to devise effective measures for safe and efficient air travel; the World Health Organization's continued campaign to suppress communicable diseases and raise the standards of health care; the Food and Agriculture Organization's work to expand agricultural production and improve nutrition; and the United Nations Educational, Scientific and Cultural Organization's activities to expand scientific communication and protect the world's cultural heritage.

All these activities clearly demonstrate the stake we have in United Nations efforts to control new technologies for the common good, to bridge the gap between developed and developing countries on matters of trade and aid, to facilitate the exchange of technical and scientific knowledge, and to set standards of behavior for international activity. To these concerns—and to the need to improve the functioning of all multilateral institutions—our nation must give increasing attention in the coming years.

RICHARD NIXON.
THE WHITE HOUSE, September 6, 1973.

THE MINIMUM WAGE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-147)

The SPEAKER laid before the House

the following veto message from the President of the United States:

To the House of Representatives:

I am returning today, without my approval, H.R. 7935, a bill which would make major changes in the Fair Labor Standards Act.

This bill flows from the best of intentions. Its stated purpose is to benefit the working man and woman by raising the minimum wage. The minimum wage for most workers has not been adjusted for five years and in the interim, as sponsors of this bill recognize, rising prices have seriously eroded the purchasing power of those who are still paid at the lowest end of the wage scale.

There can be no doubt about the need for a higher minimum wage. Both fairness and decency require that we act now—this year—to raise the minimum wage rate. We cannot allow millions of America's low-income families to become the prime casualties of inflation.

Yet in carrying out our good intentions, we must also be sure that we do not penalize the very people who need help most. The legislation which my Administration has actively and consistently supported would ultimately raise the minimum wage to higher levels than the bill that I am today vetoing, but would do so in stages over a longer period of time and thereby protect employment opportunities for low wage earners and the unemployed.

H.R. 7935, on the other hand, would unfortunately do far more harm than good. It would cause unemployment. It is inflationary. And it hurts those who can least afford it. For all of these reasons, I am compelled to return it without my approval.

ADVERSE EFFECT ON EMPLOYMENT

H.R. 7935 would raise the wage rate to \$2.00 for most non-farm workers on November 1 and 8 months later, would increase it to \$2.20. Thus in less than a year, employers would be faced with a 37.5 percent increase in the minimum wage rate.

No one knows precisely what impact such sharp and dramatic increases would have upon employment, but my economic advisors inform me that there would probably be a significant decrease in employment opportunities for those affected. When faced with the decision to increase their pay rates by more than a third within a year or to lay off their workers, many employers will be forced to cut back jobs and hours. And the worker will be the first victim.

The solution to this problem is to raise the minimum wage floor more gradually, permitting employers to absorb the higher labor costs over time and minimizing the adverse effects of cutting back on employment. That is why I favor legislation which would raise the floor to a higher level than H.R. 7935 but would do so over a longer period of time. The bill supported by the Administration would raise the minimum wage for most non-farm workers from \$1.60 to \$1.90, effective immediately, and then over the next three years, would raise it to \$2.30. I believe this is a much more prudent and helpful approach.

INCREASING INFLATION

Sharp increases in the minimum wage rate are also inflationary. Frequently workers paid more than the minimum gauge their wages relative to it. This is especially true of those workers who are paid by the hour. An increase in the minimum therefore increases their demands for higher wages—in order to maintain their place in the structure of wages. And when the increase is as sharp as it is in H.R. 7935, the result is sure to be a fresh surge of inflation.

Once again, prudence dictates a more gradual increase in the wage rate, so that the economy can more easily absorb the impact.

HURTING THE DISADVANTAGED

Changes in the minimum wage law as required by H.R. 7935 would also hurt those who need help most. The ones who would be the first to lose their jobs because of a sharp increase in the minimum wage rate would frequently be those who traditionally have had the most trouble in finding new employment—the young, members of racial and ethnic minority groups, the elderly, and women who need work to support their families.

Three groups would be especially hard hit by special provisions in this bill:

Youth: One major reason for low earnings among the young is that their employment has a considerable element of on-the-job training. Low earnings can be accepted during the training period in expectation of substantially higher earnings after the training is completed. That is why the Administration has urged the Congress to establish a modest short-term differential in minimum wages for teenagers, coupled with protections against using teenagers to substitute for adults in jobs. H.R. 7935, however, includes no meaningful youth differential of this kind. It does provide marginal improvement in the special wage for students working part-time, but these are the young people whose continuing education is improving their employability anyway; the bill makes no provision at all for the millions of non-student teenagers who need jobs most.

Unemployment rates for the young are already far too high, recently averaging three to four times the overall national unemployment rate. H.R. 7935 would only drive that rate higher, especially for young people from minority groups or disadvantaged backgrounds. It thus would cut their current income, delay—or even prevent—their start toward economic improvement, and create greater demoralization for the age group which should be most enthusiastically involved in America's world of work.

Domestic household workers: H.R. 7935 would extend minimum wage coverage to domestic household workers for the first time. This would be a backward step. H.R. 7935 abruptly requires that they be paid the same wages as workers who have been covered for several years. The likely effect would be a substantial decrease in the employment and hours of work of current household workers. This view is generally supported by several recent economic studies.

Employees in small retail and service establishments: By extending coverage

to these workers for the first time, H.R. 7935 takes aim at the very businesses least able to absorb sharp, sudden payroll increases. Under the burden of this well-intended but impractical requirement, thousands of such establishments would be forced to curtail their growth, lay off employees, or simply close their doors altogether. A "paper" entitlement to a higher minimum wage would be cold comfort indeed to workers whose jobs were eliminated in this squeeze.

OTHER PROBLEMS

H.R. 7935 would also bring almost all government employees under the Fair Labor Standards Act. For Federal employees, such coverage is unnecessary—because the wage rates of this entire group already meet the minimum—and undesirable, because coverage under the act would impose a second, conflicting set of overtime premium pay rules in addition to those already governing such pay for Federal employees. It would be virtually impossible to apply both laws in a consistent and equitable manner.

Extension of Federal minimum wage and overtime standards to State and local government employees is an unwarranted interference with State prerogatives and has been opposed by the Advisory Commission on Intergovernmental Relations.

NEED FOR BALANCE AND MODERATION

In sum, while I support the objective of increasing the minimum wage, I cannot agree to doing so in a manner which would substantially curtail employment of the least experienced and least skilled of our people and which would weaken our efforts to achieve full employment and price stability. It is to forestall these unacceptable effects that I am vetoing H.R. 7935.

I call upon the Congress to enact in its place a moderate and balanced set of amendments to the Fair Labor Standards Act which would be consistent with the Nation's economic stabilization objectives and which would protect employment opportunities for low wage earners and the unemployed and especially non-student teenagers who have the most severe unemployment problems. To the millions of working Americans who would benefit from sound and carefully drawn legislation to raise the minimum wage, I pledge the Administration's cooperation with the House and Senate in moving such a measure speedily onto the statute books.

RICHARD NIXON.

THE WHITE HOUSE, September 6, 1973.

THE SPEAKER. The objections of the President will be spread at large upon the Journal; and the message and bill will be printed as a House document.

The question is, Will the House on reconsideration pass the bill, the objections of the President to the contrary notwithstanding?

MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. O'NEILL moves that further consideration of the veto message on the bill H.R. 7935 be postponed until Wednesday, September 19, 1973.

The motion was agreed to.

A motion to reconsider was laid on the table.

ON THE PRESIDENT'S MESSAGE

(Mr. DENT asked and was given permission to address the House for 1 minute.)

Mr. DENT. Mr. Speaker, I have carefully followed the statement of the President on the veto of the minimum-wage law. I noticed it took almost as many words to explain his actions as it did to write the bill.

I learned a long time ago when I was a little boy playing baseball on the street that when you explain something it means you have a very good reason for it. This was best brought home by the fact that when we were playing baseball on the street one day someone broke the butcher's window. I went straight home to my father and I, all out of breath, told him what had happened and started to explain it. He said:

Johnny, me boy, remember this as long as you live: When you start to explain, it is bad already.

AMENDMENTS TO RAIL PASSENGER SERVICE ACT OF 1970

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 514 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 514

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 27(d)(4), rule XI to the contrary notwithstanding, 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. 8351) to amend the Rail Passenger Service Act of 1970, as amended, to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 8351, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 2016, 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. 8351 as passed by the House.

The SPEAKER. The gentleman from

Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. 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. MURPHY of Illinois. Mr. Speaker, House Resolution 514 provides for an open rule with 1 hour of general debate on H.R. 8351, a bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation.

Although House Resolution 514 provides for a waiver of clause 27 (d)(4), rule XI of the Rules of the House of Representatives, the 3-day rule, the reason for the waiver is no longer needed as more than 3 days have elapsed since the rule was filed.

House Resolution 514 provides it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment. It also provides that after the passage of H.R. 8351, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 2016, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 2016 and insert in lieu thereof the provisions contained in H.R. 8351 as passed by the House.

H.R. 8351 grants to the National Railroad Passenger Corporation, Amtrak, authority to operate an autoferry service and limits the ability of any person to provide such service along Amtrak's basic system without a petition to the Interstate Commerce Commission.

The bill also amends the act to increase the amount of Federal guarantee authority from \$200 million to \$250 million and gives Amtrak trains preference over freight trains in the use of any line of track, junction or crossing, except in cases of emergencies.

H.R. 8351 authorizes an appropriation of \$107.3 million for fiscal year 1974.

Mr. Speaker, I urge adoption of House Resolution 514 in order that we may discuss and debate H.R. 8351.

Mr. LATTA. Mr. Speaker, House Resolution 514 provides for the consideration of H.R. 8351, the Amendments to Rail Passenger Service Act of 1970, under an open rule with 1 hour of general debate. There are several other provisions of this rule: First, it waives the provisions of clause 27(d)(4) of rule XI, which is the 3-day rule; Second, makes the committee substitute in order as an original bill for the purpose of amendment; and third, provides for inserting the House-passed language in the Senate bill, S. 2016.

The purpose of H.R. 8351 is to amend the Rail Passenger Service Act of 1970 in order to provide authorizations for appropriations for fiscal year 1974. These changes and additions are made to reflect the committee's continuing desire to see that Amtrak properly fulfills the congressional mandate which created the Corporation to provide modern, efficient, intercity rail passenger service, with the anticipation that the Corporation even-

tually will become a self-sustaining entity.

The bill authorizes \$106.1 million for fiscal year 1974 for domestic routes and \$1.2 million for international routes—a total of \$107.3 million. Additionally, the bill provides for an increase of \$50,000,000 in federally guaranteed securities, loans and obligations available to Amtrak.

Mr. Speaker, I urge the adoption of the rule.

Mr. MURPHY of Illinois. Mr. Speaker, I have no additional requests for time. 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. STAGGERS. 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. 8351) to amend the Rail Passenger Service Act of 1970, as amended, to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

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. 8351, with Mr. FLOWERS 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 West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. HARVEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

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

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported H.R. 8351 with the hope that Congress will help improve rail passenger service throughout the Nation.

Congress created Amtrak in the Rail Passenger Service Act of 1970 in a somewhat desperate effort to prevent the complete abandonment of intercity rail passenger service. Amtrak's challenge was and is to reverse the deterioration of passenger service and to save and improve as much of the service as possible. When Amtrak was created, there were some 500 passenger trains left of the thousands which had existed over the decades since the invention of the railroad. These 500 remaining were losing over \$200 million a year. Amtrak got underway with a \$40 million Federal grant and some \$197 million in payments from participating railroads. These moneys, together with a \$200 million loan program, were to carry the Corporation through June 30, 1973. However, in 1972 it was necessary to further fund Amtrak, and \$179.1 million was appro-

priated. This was to carry Amtrak forward to June 30 of this year, and we now propose to extend Amtrak through the bill before us for the single fiscal year of 1974.

H.R. 8351 will accomplish the following:

First, authorizes \$107.3 million for fiscal year 1974—Senate-passed bill authorizes \$185 million. Administration had requested an open-ended authorization.

Second, increases Federal guarantee authority from \$200 million to \$250 million.

Third, restructures the Amtrak Board of Directors: Increases number of consumer representatives from one to three; requires bipartisan appointments by the President; has a strict no-conflict-of-interest provision in the bill.

Fourth, grants Amtrak the power of eminent domain in limited instances, and allows them to petition the ICC for conveyance of certain railroad properties in limited instances.

Fifth, requires Amtrak to initiate at least one experimental train annually, and continues for 1 year any existing experimental train.

Sixth, gives Amtrak trains preference over freight trains on any track, junction or crossing—but allows Secretary of DOT to resolve any controversy between Amtrak and railroads over such preference, as well as over speed of Amtrak trains.

Seventh, prohibits Amtrak from clearing reports, budget requests or legislative proposals with any executive branch official or agency before it submits such items to Congress.

Eighth, clears up inconsistencies in existing law between ICC and DOT over rail safety. DOT is given exclusive jurisdiction over railway safety.

Ninth, allows any corporation to compete with Amtrak in providing autoferry service if they can prove to the ICC that first, there is a public need for such service, and second, that such service will not impair Amtrak's financial position.

Tenth, establishes certain criteria for the ICC to use in determining what is the just and reasonable compensation, if any, that Amtrak should pay railroads for providing services.

In regard to section 3 of the bill, we want to make it clear that "any person" other than a railroad may provide auto-ferry service. We believe auto-ferry service is a means of attracting more of the public to travel by rail, and we mean the term "railroad" in this legislation to be a company principally engaged in providing freight service over established main interstate lines—the Norfolk & Western, to cite a random illustration. If it were otherwise the case, it would frustrate our aim of authorizing specialized auto-ferry companies and Amtrak as well to provide this sort of service.

Our committee believes in this age when our Nation is faced with an energy crisis, and with a problem of automobile-induced pollution, we must give the public an efficient, modern rail passenger service as a viable alternative to the travel by automobile and airplane. This

legislation will move us a step forward in this direction.

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

Mr. STAGGERS. I yield to the majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Chairman, the American traveling public needs a well-balanced transportation system. That means good highways, good public transit for our cities, a safe and efficient airway and airport system, adequate port and waterway facilities. And it also means modern intercity rail passenger service, for all parts of the country. Recognizing this fact, I supported the creation of Amtrak in 1970; while it has its imperfections I am aware of what it has accomplished and anxiously await improvements in the quality of its operations that will bring faster and more frequent service, in New England, throughout the Northeast, and in other parts of the country. I thus applaud—in general terms—the Committee on Interstate and Foreign Commerce—its distinguished chairman and all the members—for the bill, H.R. 8351, which they have reported to the floor.

There is, however, one aspect of the bill with which I am deeply concerned. It deals with auto-ferry service. Back in 1970, when Congress passed the Rail Passenger Service Act, there was no auto-ferry service—no way by which travelers could take their cars along when they took a trip by train. Other countries had this form of transportation, but not the United States. In my view, and it was widely shared in the House and in the Senate, it seemed to me then that action should be taken to encourage private entrepreneurs to enter this field and to invest whatever was needed to bring this type of transportation to the people of our country.

When the Congress became aware in 1970 that one new private company had already made plans to initiate an auto-ferry operation, provision was made in the Rail Passenger Service Act to protect rights of such a private auto-ferry operator where it had a contract in force.

Encouraged by the 1970 legislation that company has gone ahead with what most people regard as a highly convenient, safe, and top-quality auto-train service between Washington and Florida. Since it was started in December 1971 it has reportedly carried more than a quarter of a million people, including a large number of my own constituents. Its popularity is obvious. Many travelers like to take the train and have their cars along. They save time, money, and a tedious long-distance journey by highway. What is more they—and the country—save gasoline. A recent newspaper advertisement noted that the Washington-Florida Auto Train produces an annual savings of more than 11 million gallons of scarce gasoline.

From every conceivable point, auto-ferry service has substantial advantages—for travelers and for the country. To my way of thinking, this new, innovative form of intercity transportation is something to stimulate. I was thus

heartened recently to read that under a contract entered into back in 1970, a new auto-ferry service, between Louisville and Florida—to serve the people of Michigan, Ohio, Indiana, Illinois, and other midwest points is to be launched. I welcome this move but I regret to find in section 3 of H.R. 8351 provisions which could slow, if not halt, the inauguration of additional auto-ferry service by specialized private carriers, such as that along the Louisville-Florida route. While I agree that Amtrak should be permitted to run auto-ferry service, I am afraid that the bill as reported could have a chilling, if not deadening effect on other operators. Since service on the Louisville route will not yet be in operation on the date of enactment of this measure, I read section 3 as requiring this operator or anyone other than Amtrak to run a brutal legal obstacle course to gain permission to begin service that will take time and that may, in fact, never be successfully negotiated. Amtrak appears to be given what amounts to a near-monopoly over new auto-ferry service, something which that corporation hardly has earned given its seriously lagging interest in this type of transportation. I am also advised by legal specialists that by excluding "railroads" from auto-ferry service, there may be an untoward effect in that an independent auto-ferry operator might be deemed by the courts to be a "railroad" even though I am quite certain this is not what the committee intended.

Let me sum up. Auto-ferry has proven its popularity and it should be made available to a larger audience, all over the country. Amtrak should clearly be entitled to offer this form of transportation, but so should others—especially those who relied on the 1970 act and who have invested time and money in developing this concept of movement. Our aim should be to encourage the spread of auto-ferry service—to encourage all qualified operators to enter this field. I am distressed that H.R. 8351 falls far short of this objective. The traveling public, I am afraid, will be the real loser.

I would like to ask the chairman of the committee, is there anything in section 3 in the opinion of the gentleman from West Virginia that in any way would affect now the route they have been running between Virginia and Jacksonville, and the route that will be run from Louisville down to Florida, so we can get in the RECORD the correct intent of what the chairman and the committee believe is the intent of the Congress?

Mr. STAGGERS. Mr. Chairman, I will reply, and I thought I had made it fairly clear earlier, that it is the intent of the committee in writing this bill and I know it is of the chairman that there be no interference with the auto train service which is already running. We are funding Amtrak and it should get into the business if it is profitable, and those who are doing it have found it is.

Let me say this. There has been some mention that people feel this may cause trouble because we have used the word "railroad." We cannot conceive of an auto train being called a railroad. When we

state "railroad" we mean such existing railroads as the Louisville & Nashville or the Baltimore & Ohio and not something which is just now being planned to be done. It is not the intent of this committee that there be any trouble and I cannot conceive of there being any trouble.

Mr. O'NEILL. I thank the gentleman.

Mr. STAGGERS. I had to go downstairs where I was talking a little while ago to a gentleman who said his children came in from New York and they were so late getting in from New York, and the same thing had happened when they went to Florida and they were 5 hours late getting to Florida. There is no excuse for that. We do not want people to have to go through that. We will have to see that things are done to give better service.

It is expected that this will help the energy shortage in America if we can get this thing on the track. The trains that have been proposed to be cut off we have said shall stay on because they are showing, with the energy crisis we have, that they are needed, and more people are using the trains and we think they should be given another year.

Mr. O'NEILL. I thank the chairman for his explanation.

Mr. STAGGERS. Mr. Chairman, I think this is a worthy bill which should be passed. It has been given careful consideration by the committee and by the full committee. Some amendments were made in the full committee. I think it is a good bill and it should pass so we can continue to have rail passengers service in America. We should continue not only what we have but we should expand it and make it better and make the trains run on time so we can give better service throughout the land.

Mr. HARVEY. Mr. Chairman, I have no intention of repeating an explanation of the bill because this has already been ably done by the chairman of the full committee. There are several sections that I believe deserve some discussion and a look into the reasons behind provisions which aim to change the present law. Amtrak has been a controversial program from the beginning, and many Members I am sure have mixed feelings about the feasibility and desirability of spending Federal funds to pick up its losses.

Although Amtrak was organized as a for-profit corporation in the hope that it could work out a passenger rail net which could at least break even, it was not expected that such a goal could be achieved immediately. No one could have rationally expected such a result. Testimony before our committee at the time Railpax was being considered indicated that with luck and good management the corporation might reach a position of slight profitability by 1975. This presupposed a set of favorable conditions, no politics involved, and a few breaks. I guess we could say up to here that Amtrak has not been favored with any exceptional luck in its venture. Many here would argue that it has not been well managed. No one here should deny that plain old politics has had much to do

with its problems. This is no indictment of any person or any group. It is a plain statement of an obvious and inevitable condition which attends any enterprise of this nature.

Assuming that the management has been at least adequate, the law placed an almost impossible burden upon it from the beginning. Passenger service was in such a shambles that a complete reorganization had to be effected on very short notice. All of the timetables for organization and initial operation were much too short, but they had to be under conditions then prevailing. We can hardly blame anyone for accomplishing something less than perfect by now. The rail network to be operated was not of the corporation's choosing. It was handed to it and told to run it at least until July 1973.

The committee bill provides funds to keep the original network intact for at least another year. In doing so the subcommittee and the full committee were fully aware that the corporation had been restricted to applying for \$93 million to the Appropriations Committee. This lower figure presupposes the elimination of three routes from the basic network. They were losers, no doubt about it. But then nearly everything in the network has been losing up to now. The only question was whether these particular routes were so bad that they would not, with some further assistance and improvements, do as well as the rest of the network. Your committee felt that the trial period had been too short to write off these lines and therefore made provision for their operation for 1 more year. This could be called a compromise position. Many people feel that there is no justification for rail passenger service except in a few high-density corridors and that the retention of a basic network at public expense is wrong. Others feel that the present network is far too limited and that the overall public good requires that rail service be kept available to most of our population whether presently patronized or not. Between these extremes we come to you with a bill which would not downgrade the present system for the time being but with the conviction that eventually passenger routes must catch on or be dropped.

Another basic question which has caused considerable concern and debate here in Congress and within the industry deals with the quality of service which Amtrak has been receiving from the railroads. Obviously the Corporation can only perform as well as the railroads with which it contracts will allow it to. Although the Corporation can spend money for all kinds of equipment and train personnel to render better service to the passengers, the trains must operate over the tracks of the railroads which desperately wanted to get rid of passenger service in the first place. On-time performance and the smoothness of the ride depend upon the railroads. Competition for use of a given piece of track at any time between passenger and freight trains poses operational problems which must be solved on the spot. Have the railroads consistently given second choice to passenger trains? Some people sincerely believe so, but it is very difficult

to prove one way or the other. Is the Corporation getting what it is paying for in its contracts with the railroads? Are the contracts unfair to the railroads and costing them money which should be paid by the passenger traffic? You find argument for either side of those propositions. The railroads were glad enough to get rid of passenger service in any way possible. Should they now treat the Corporation like some total stranger who wanders in and wants service rendered? Should they charge portions of their entire operating expense to passenger service or get paid only for what they might be losing if they still were stuck with passenger service? A nice question.

The law has provided that the ICC would determine just and reasonable compensation, and that body is struggling with the issues I have outlined here. If it were to decide that the railroads are right and should be compensated for fully allocated costs of carrying out their contracts with the Corporation, the kind of money we have provided in this bill will be peanuts compared to what Amtrak will need to maintain service. The committee has not tampered with the basic language of the act in this regard except to recognize that the quality of the service rendered to Amtrak and the train-traveling public should have something to do with how much a railroad is paid. It is recognized that the bare-bones theory of compensation could result in an injustice to the railroads involved and probably assure minimum service as well. It is therefore intended by this bill that the railroads will be paid their avoidable costs plus a percentage. This additional amount can either be negotiated by the parties or can, in the absence of agreement, be set by the ICC. This arrangement seems to be about as fair to everyone as possible.

One other issue which occupied a large portion of the committee's attention has to do with the relationship between the Auto Train operations and Amtrak. The present Auto Train running between Alexandria, Va., to near Orlando, Fla., is an exception to the Amtrak monopoly on passenger service. It was already underway when Amtrak began and was thus excepted. Now the Auto Train Corp. would like to branch out and try some other routes. Amtrak has also had its eye on this kind of operation for the future. It just happened that the proposed expansion of Auto Train operations would have been in the same area as one of the runs DOT would terminate. The committee, of course, decided that the Amtrak run should continue. Should any other passenger service be allowed to directly compete with Amtrak? I believe not. Some would disagree. Some, including Auto Train, contend that the operations are so different that they do not constitute competition at all. To resolve this dilemma the committee decided that a referee was needed and therefore provides for Auto Train to apply to ICC for permission to institute new service. ICC can grant that permission only if it is satisfied that the new route will not adversely affect the financial situation for Amtrak and will provide a needed service. These conditions seem eminently fair.

The bill reorganizes the Board of

Directors of the Amtrak corporation. I personally see no need for such a reorganization, but the addition of two additional consumer representatives probably will be a good thing. The provisions now in the bill regarding the Board are the result of some compromises within the full committee and, if not greatly needed, are acceptable.

Other matters included in the bill probably need no extended discussion here. Some question has been raised about the requirement for one experimental train per year. For the present this seems desirable. It could, however, develop that there just are not any places where experimental trains can hope to prove anything or that they will be too much of a drag on the Corporation even for a 2-year trial period. If it turns out that way, Amtrak can come back to Congress at any time and request a change based upon its experience. We shall be looking at Amtrak early and often in any event. No doubt we will be here a year from now doing pretty much what we are doing today. The question is not whether, but how much.

All things considered I feel that the committee has brought to the House a bill which deals with the various concerns about Amtrak. Simple, straightforward solutions do not present themselves, but the bill now before us does try to be fair to the parties, the public and our previous commitment to give passenger service a fighting chance to survive. I recommend H.R. 8351 to you and ask that the House give it favorable consideration.

Mr. STAGGERS. Mr. Chairman, I yield to the chairman of the subcommittee, Mr. JARMAN, such time as he may consume.

Mr. Chairman, I want to congratulate him and all members of the subcommittee at this time for the very fine job they did in working out this bill.

Mr. JARMAN. Mr. Chairman, I rise in support of H.R. 8351.

This legislation was considered in our subcommittee and I believe the overall bill is a good one.

I believe this is a particularly timely piece of legislation. America is enduring a severe energy shortage this summer, and the toll of environmental pollution is becoming more evident with each passing day. The massive reliance by our citizens on automobiles as their prime mode of transportation, has contributed to our fuel shortage, as well as increased the urban pollution which has become commonplace around the country today. Rail passenger service offers a viable alternative. I believe it can and will become a major factor in transportation in the years to come because it utilizes less fuel and it pollutes less.

The 91st Congress acted with wisdom in establishing the National Rail Passenger Service Corporation, and while Amtrak has certainly not lived up to all of its expectations, we must realize that it is still an infant, and we have a duty to see that our investments in the past can be rewarded in the future.

Our subcommittee has been aware of special problems which Amtrak has, and we have assigned staff investigators and General Accounting Office personnel to study specific areas of managerial and

marketing techniques which we are not satisfied with. We believe it is important that Congress scrutinize the activities of this Corporation, because it has relied so much on public tax money to assist it. I do not know when it will ever achieve the goal the 91st Congress set for it—that is, to become self-sustaining and profitmaking. But I do know that the concept deserves a chance.

I think it is important that we remember when Amtrak was created in 1970, railroad passenger service was at an all-time low in the United States. Only some 500 passenger trains were still running, out of thousands that ran earlier in this century. These remaining passenger trains were losing over \$200 million a year.

Now, Amtrak is losing money, but improvements are being made. We have a total Federal investment of about \$200 million in Amtrak since 1970. This year, we are considering an authorization of \$107.3 million, which is \$72 million less than they received from Congress last year. I believe that with each passing year, this Federal appropriation will decline.

Mr. HARVEY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Chairman, I want to congratulate the chairman of the subcommittee and the ranking minority member of the subcommittee and in fact all the members of the subcommittee for this legislation, which originally had all the earmarks of creating some problems. Fortunately we have been able to work those problems out I believe for the good of the entire system.

A little over 2 years ago, when we first passed this legislation, I was one of the people who worked on it and supported it, with reservations, because I saw very little possibility of this organization showing much progress very quickly. I am happy to say that in the past 7 or 8 months all of the indications have been that there can be a turn-around, and this turn-around actually began in several instances of a return to ground transportation.

I would never have believed we would be running transcontinental trains today at capacity. Amtrak today in many instances is doing just that.

I should like to give an example of two trains which have created some controversy. I will comment on this and comment on what the committee has done.

The train from Chicago through Indiana, Tennessee, Alabama, and on into Florida, called the Floridian, and the train from New York to Kansas City are the two. Up until early this year the figures on those two passenger trains did not in any way warrant their continuance after the 2-year period was up, but just about the time we were having the hearings, for reasons that are varied and multiple, these two trains began to pick up passengers in unbelievably large percentage increases.

I know the Floridian train, coming to the South, actually had to end up leaving passengers standing on the platform in several different places.

So we went back to Amtrak and said, "Would you like to give these trains an-

other try? It looks like they are showing progress." They said, "If it is the will of the subcommittee, yes."

As the gentleman from Michigan explained, that was the reason for the extra money being put in the bill.

I am happy to say that the Amtrak Board—and I have full faith in their good will on this issue, but on this one particularly—has withdrawn discontinuance proceedings on these trains, and fully expects to continue these trains and I hope to give vastly increased service for at least another year trial.

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

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

Mr. DINGELL. I thank my good friend from Tennessee, a valued member of the subcommittee. I just wish to reinforce his last comments on the trains referred to. I should like to indicate that I received assurance only this morning from Amtrak that the running of these trains referred to will be continued.

These two trains will continue, in my expectation. I believe our colleagues on the committee have expressed the same thought that the trains will run.

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

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

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

Not too long ago Amtrak filed a petition to discontinue the New York-District of Columbia-Columbus, Ohio-Kansas City train. That petition has now been withdrawn. If I understand the gentleman's statement and that of the gentleman from West Virginia (Mr. STAGGERS) there is money in this bill, and we have the assurance of the Interstate and Foreign Commerce Committee that the New York, District of Columbia, Columbus, Ohio, Kansas City trains will be continued for at least one additional year; is that correct?

Mr. KUYKENDALL. Mr. Chairman, I have full faith in the people involved. The Under Secretary of Transportation in charge of this particular relationship with Amtrak was at the board meeting, and he was the one that moved at the board meeting to withdraw the motion for the discontinuance of the trains, you mention, so we are not dealing with just Amtrak. But with DOT also.

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

Mr. KUYKENDALL. I yield to the gentleman from Indiana.

Mr. HUDNUT. Mr. Chairman, I would like to express my appreciation to the subcommittee and the chairman of the committee for the excellent work which they have done in the preparation of this legislation, which I wholeheartedly support.

I would like to ask the gentleman whether or not, in connection with the running of these two trains, both of which intersect in Indianapolis where I come from and both of which are of vital importance to the people in the economy of central Indiana, the gentleman has heard anything to the effect that, although these trains will continue for another year, ultimately one of them, possibly the National Limited, will be

abandoned or rerouted around the Columbus-Dayton-Indianapolis route to go somewhere else.

Mr. KUYKENDALL. Mr. Chairman, I cannot assure the gentleman from Indiana concerning the exact route between these points. I would never presume to guarantee that.

All I can say is that if the very impressive passenger figures continue, which have been shown on these two trains in the last 120 days, I do not believe that Amtrak is about to discontinue these trains. I would not presume to try to tell the gentleman that I can guarantee a specific route between these two points.

Mr. HUDNUT. But the gentleman would say that it is the full intent of Congress and the subcommittee that these two trains will continue?

Mr. KUYKENDALL. Mr. Chairman, let me make this comment: I have a feeling that as long as the people of Indianapolis are represented by the Member from that area on the Committee on Commerce and as long as he is working as actively as he is, I believe that would serve to cut down on any danger of anything happening to these trains.

Mr. HARVEY. Mr. Chairman, I yield 3 minutes to the distinguished ranking member of our committee, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I rise in support of this legislation, but first I would like to contribute part of the legislative history so that none of us will be deluded in case there is a change in posture during the coming year for which we are seeking additional funds to continue Amtrak.

Granted that there has been an increase in ridership, which is encouraging, let us look at the possible reasons for this increase.

No. 1, I understand that a lot of students this year for the first time have discovered passenger trains, and they rode them, they enjoyed them, and we hope that this continues and that it will encourage passenger ridership so that we can maintain passenger service throughout the country.

No. 2, another contributing factor in my opinion to the increase in ridership is the fact that many tourists, many families that wanted to travel this summer, were a bit concerned about the energy crisis, and the fact that fuels would not be available, and, therefore, they went by train rather than driving their own passenger cars.

Both of these factors contributed to the increase in ridership, and I hope that even with school starting and with a little relief in the fuel crisis, that ridership will continue to increase.

Seven, 8, or maybe 9 years ago the president of the Pennsylvania Railroad appeared before our committee. At that time I suggested to him that one reason why persons did not ride trains was the fact that the equipment was dirty and obsolete and the help, the personnel, was insolent and they had a "could not care less" attitude, and also the scheduling was bad. This railroad president was outraged with the suggestion that they were trying to discourage people from riding the trains.

However, I am afraid it is true, and

I am afraid the same thing can apply as far as Amtrak is concerned. I say to those persons who are attempting to make a success of Amtrak that they should look at realistic schedules and encourage ontime arrivals and departures and encourage the personnel, the railroad help, and the brotherhoods to have people who will be glad to have a job and render good service rather than people who will resent passengers riding trains and provide dirty equipment and bad meals. We have to take all of these things into consideration.

If we resolve those problems, we can continue Amtrak and put the trains on a paying basis. I do not think we in the Congress, in funding this, can expect to continue the passenger trains to operate at a loss just to accommodate those persons who like to watch trains go by but will not ride them.

Mr. STAGGERS. Mr. Chairman, I have no further requests for time on this side, but I would like to say I agree with the previous speaker, the ranking member of the committee, and Mr. DEVINE, the gentleman from Ohio, on the statements he just made.

I think that we will have to improve the service if we are going to improve ridership. I think that is the thing that needs to be done, and I hope we can do it this year.

Mr. HARVEY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana (Mr. HEDNUT).

Mr. HEDNUT. Mr. Chairman, H.R. 8351 provides authorizations for appropriations for the National Railroad Passenger Corporation and also amends the Rail Passenger Service Act to reflect our Committee's desire to see that Amtrak properly fulfills the congressional mandate which created the Corporation; namely, to provide modern, efficient, intercity rail passenger service, with the anticipation that the Corporation eventually will become a self-sustaining entity.

In my judgment, the real key to restoring rail transportation in America is upgrading the roadbeds and tracks as well as improving service on the trains. Earlier this year I made a firsthand inspection of the Amtrak service between Indianapolis and Washington, D.C. Part of the trip I spent in the cab talking with the engineer and observing how the train was operated. When we were going through Southeastern Indiana we were on Penn Central rails going 10 miles an hour. The engineer pointed to the B. & O. tracks running alongside and said trains could travel 60 miles an hour on that roadbed. Passenger trains should be able to operate smoothly and dependably at 80 miles an hour if they are to be competitive with other modes of transportation.

While the Rail Safety Act of 1970 has resulted in standards for track maintenance, those standards are optional depending upon how fast trains are operated. Furthermore, the Federal Railroad Administrator has characterized those standards as "minimum standards required for safe operation rather than recommended practice." In other words, the only concern of the Federal Government is the safety condition of the tracks

and roadbeds. If the roadbed becomes unsafe at any speed, trains would not be permitted to operate on it at all—but there is track being used where trains can operate safely only at 5 to 10 miles an hour.

The deterioration of track and roadbed conditions throughout the country is documented by figures issued by the Federal Railroad Administration. Between 1963 and 1970, the annual number of train derailments caused by defects in or improper maintenance of track and roadbed, and in which property damage exceeded more than \$750 each, increased from 691 to 2,394—almost 250 percent. During the same period, total train and locomotive miles operated decreased by 12 percent. Another indication of deterioration of track and roadbed is the widespread slowdown of passenger trains during the past 10 years, which I have mentioned previously. Many Amtrak trains are slower than 1941 runs over the same routes. Even where there have been no slowdowns, ride quality in many places has become rougher.

If we are to have a balanced transportation system, with the kind of rail service we need, it seems to me that Federal assistance for railroad track and roadbed rehabilitation is a matter of urgent need. Many railroads cannot raise the needed cash to finance necessary roadway work. In the absence of a government guarantee, it is extremely difficult for railroads to borrow money for fixed plant improvement, because—unlike equipment borrowings—there is no readily marketable collateral which can be repossessed and sold to others. Property now owned by most railroads is mortgaged to the hilt.

While H.R. 8351 includes an authorization of some \$50 million for track improvement, this problem will be given greater consideration, and, hopefully, dealt with in legislation regarding the bankrupt northeastern railroads. That legislation pertains to some 17 States and the District of Columbia, however, I feel we should begin immediately to work on a program to designate an all encompassing interstate railroad system equipped with automatic block signals or other equivalent safety devices. In my judgment, government assistance to the railroads for fixed plant rehabilitation is eminently fair in view of the large sums which have been and are continuing to be spent by governments at all levels for the benefit of other modes of transportation. As one who strongly believes our continued progress depends upon a balanced transportation system, I hope our Committee on Interstate and Foreign Commerce and the Congress will consider this matter as soon as possible.

Mr. Chairman, I had planned to sponsor an amendment to H.R. 8351 to mandate the continuation of the National Limited, which runs from New York to Kansas City via Indianapolis, and the Floridian, a train from Chicago to Miami via Indianapolis. The National Railroad Passenger Corporation had made application to discontinue these trains as of August 2, however, the ICC ordered that they be continued until December 2 during which time hearings would be held. Then, last Friday, Amtrak an-

nounced that their Board of Directors had agreed to withdraw the applications for discontinuance.

As a representative from a major city serviced by both of these trains, I am delighted at the decision to keep them in operation. If the petition to discontinue had been allowed to succeed, it would have substantially reduced and, in some cases, eliminated rail passenger service to the major cities of eight Eastern and Midwestern States. Indianapolis is at the hub of our Nation, and is, therefore, a center of transportation activity. Both the city and the State very much need to be served by a balanced transportation system.

While it is true that these passenger operations have been losing money, this is no time to give up on these trains. The statistics I have gathered show that ridership on the National Limited for this year from January through July increased overall by 49 percent over the comparable period in 1972. On the Floridian, the increase was 59 percent. Business through the Indianapolis ticket office increased by 37 percent during the first 7 months of this year and the July figure is the highest since December 1967, when Indianapolis was served by 11 trains. With better advertising, improved services, and better track conditions, I am confident there will be further increases in ridership resulting in the receipt of added revenues.

Another reason they should be continued is because of the energy crisis. In view of the shortage of gasoline and other fuels, we should take all steps possible to encourage travel by rail. Furthermore, rail travel helps in the campaign to reduce air pollution caused by massive automobile traffic.

While we in Congress have granted Amtrak some degree of autonomy, we have not granted them the capricious authority to discontinue important rail passenger routes without a complete and exhaustive study of the ramifications of such terminations. We have provided sufficient authorization in H.R. 8351 for the continued operation of all trains in the present system and I feel we have a duty in Congress to see that it is done.

Mr. Chairman, I would like to express my deep appreciation to the distinguished chairman of the Committee on Interstate and Foreign Commerce who has helped me greatly as a freshman member of his committee and given me a great deal of advice and support in my concern about the continuation of the National Limited and the Floridian.

I would like to ask the chairman of the committee or one of the members of the subcommittee with reference to the service that is being offered: What is going to be done about the roadbed over which these trains are traveling?

They offer the key to better service. Is anything being contemplated to improve the roadbed—or anything that we can be doing?

I ask because it seems to me it is essential if we are going to have the kind of rapid rail transportation service we all want, that we must do something in this regard.

Mr. STAGGERS. Will the gentleman yield?

Mr. HUDDNUT. I am glad to yield to the distinguished chairman of our committee.

Mr. STAGGERS. I certainly agree with the gentleman. I think the statement he has made is correct in that we have to improve the roadbeds. This is the greatest complaint we have all across the country.

I want to inform the gentleman that Amtrak has set aside \$50 million to improve roadbed conditions in the country. So that will be quite helpful. I can assure the gentleman, it will go a long way in putting our roadbed conditions back to where they should be.

Mr. KUYKENDALL. Will the gentleman yield?

Mr. HUDDNUT. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. The House passed only a 1-year extension to this legislation and it had several reasons for doing so. We wanted to get more concrete plans for the use of this \$50 million with regard to the relationship between Amtrak and the railroads themselves concerning the maintenance of the roadbeds. That was one of the reasons.

So we can get back into the issue of improved roadbeds because I think the gentleman from Indiana is well aware that certain types of curves, and so forth, that are perfectly satisfactory for freight trains are simply not satisfactory for high-speed passenger trains, and this has to be considered.

So, this is one of the primary reasons for our having only a 1-year bill.

Mr. HUDDNUT. I thank the gentleman from Tennessee.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman from Indiana yield?

Mr. HUDDNUT. I yield to the distinguished gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I want to compliment my distinguished colleague, the gentleman from Indiana, on the statement the gentleman has made. Certainly I concur in what the gentleman has said. We in my congressional district are most happy that the Floridian has been included in Amtrak since it comes through the city the gentleman from Indiana represents, and also comes across the State of Kentucky. Without this train Kentucky would be without railroad trains, period.

This legislation has broad support throughout the State of Kentucky and throughout my congressional district.

Again, Mr. Chairman, let me thank the distinguished gentleman from Indiana for yielding to me.

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

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

Mr. MILFORD. Mr. Chairman, along the line of the same questions that the gentleman from Indiana is posing, it is also my understanding that the maintenance of these roadbeds are charged against the passenger traffic, which is one of the things I am very much concerned about.

I am wondering whether or not, by Government subsidy, we are paying for the roadbed upkeep while the operators of the freight trains are not paying their

fair share. Because it does require a much higher maintenance efficiency for passenger traffic than for freight traffic.

I would like to know the answer to that question.

Mr. KUYKENDALL. Mr. Chairman, if the gentleman will yield further, on that point, in the original 2-year support given to Amtrak by the operating railroads, these were barebones contracts, and believe me, there was not any roadbed maintenance by Amtrak; it was, for all practical purposes, zero.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. I yield such additional time as the gentleman from Indiana may require.

Mr. KUYKENDALL. Mr. Chairman, if the gentleman will yield still further, there has been new language in the bill, as mentioned by the gentleman from Michigan (Mr. HARVEY) concerning the ICC, and the amounts of payments made to the operating railroad by Amtrak will be—and I wish that the Members would read the language in the bill so that they can get the exact language—is greatly dependent upon improved service, meaning condition of the tracks, and so forth, by the railroad itself, so that the railroad is paid a minimum figure by Amtrak as a flat figure, but any negotiated amount above that will be largely determined by factors such as the condition of the track so that this is a negotiable item, and Amtrak will be in a position to pay, more or less dependent upon the condition of those tracks.

Mr. MILFORD. I thank the gentleman.

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

Mr. HUDDNUT. I yield to my distinguished colleague, the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I would like to add a word or two about Amtrak's service in Indiana. We have three Amtrak lines which pass through Indianapolis and provide inexpensive, modern transportation service to residents of my State who do not like to drive or fly.

The popularity of these Amtrak lines was amply demonstrated when it was proposed recently that the line from Kansas City to New York—the National Limited, and the run from Chicago to Florida—the Floridian, be closed down for lack of adequate business. The offices of the ICC, Amtrak, and the Indiana congressional delegation received volumes of mail in protest from riders who did not want to see this service terminated, with no comparable substitute available.

I had ridden the Amtrak line from Washington to Indianapolis earlier this year and reported my satisfaction with Amtrak's progress to my colleagues on the House floor when I returned. I knew this was a popular service and myself hated to see any further deletions—particularly when it appeared that service has improved under Amtrak leadership and that ridership was on the increase. With other Members of the Indiana delegation, I petitioned to keep these lines and with the help of statistics proving ridership and demand have increased substantially over the past year, we were able to keep these two lines.

I am certainly pleased, because I think we are going to continue to see improvements in Amtrak service, and, as a result, increased usage of the train system for personal transportation. Just incidentally, as a member of the Republican Task Force on Energy, I have learned that trains are by far the most energy-efficient mode of transportation, getting anywhere from 7 to 10 times the number of passenger-miles per gallon achieved by an automobile.

While I am up talking about Amtrak in Indiana, I would like to take this opportunity to commend my colleague from Indianapolis for providing the strong leadership necessary to retain the services of the National Limited and the Floridian. Mr. HUDDNUT is responsible for spearheading the move which resulted in saving these lines for the people of Indiana. He strived tirelessly from the moment the discontinuance announcement was made to reverse it.

As a member of the House Interstate and Foreign Commerce Committee, he met with other committee members, gathering bipartisan support for an amendment in the Amtrak legislation to continue these two important lines.

He filed a formal letter of protest with the Interstate Commerce Commission and rallied the rest of the Indiana delegation and other public officials to do likewise.

He consulted with the Amtrak officials responsible for making the final decision, encouraging them to reexamine the facts and reconsider their position.

He brought it to the attention of Congress, the ICC, and Amtrak that the usage of these trains had increased almost 30 percent over the preceding year—thus lack of interest and ridership could not be counted as a reason for closing down the lines.

BILL deserves the recognition and credit for influencing the Directors of Amtrak to withdraw their recommendation to the ICC that these trains be removed from service. The people of Indianapolis and all of Indiana ought to know the important role BILL HUDDNUT played in keeping these trains running and I am sure they appreciate that dedicated service, BILL.

Mr. ROBINSON of Virginia. Mr. Chairman, I have supported the Amtrak experiment, and I continue to believe that there is a place in our national transportation system for long- and medium-haul rail passenger service.

I am concerned, however, that Amtrak management may be unduly inflexible in enforcing service criteria, and I am convinced that it could do more to adjust its schedules, and, in particular, its service to intermediate points on its long runs.

After all, the objective should be to accommodate anyone who seems willing to pay to ride a particular train—with due regard for the maintenance of speedy service for long-haul passengers, who always have available the alternative of air transportation, to which they will turn if not accommodated reasonably.

I have in mind, in particular, the situation of Fredericksburg, Va., which is on the route of Amtrak New York-Florida runs.

My information is to the effect that there are willing passengers there who could be served by flag stops, at least, and I am not convinced by Amtrak contentions that through service would be discommoded by picking up and discharging Fredericksburg passengers.

To succeed, Amtrak is going to have to cater to prospective passengers wherever they can be found along its routes. The central idea is that few may grow to many by the word-of-mouth advertising of satisfied patrons. The negative public relations generated by speeding Amtrak trains through communities in which a traffic potential exists is unacceptable in a subsidized operation such as Amtrak.

Mr. VANIK. Mr. Chairman, the National Railroad Passenger Corporation—Amtrak—should be allowed to die a timely death.

Amtrak, in the years since its kindly Government delivery into the world, has proven itself incapable of providing the "fast and comfortable transportation between crowded urban areas and in other areas of the country" that its authorizing legislation aimed for. Despite almost a half a billion dollars of Federal expenditure, Amtrak's service and operations have remained, for the most part, inadequate and incompetent.

Now we are being asked to approve another \$100 million to nurture Amtrak's continued existence, despite little proof that it can indeed ever be self-sustaining and successful. Great horror stories of dirty facilities, inexcusable delays, slow runs, and poor ticketing still plague Amtrak. Although Amtrak has finally had a small increase in ridership, the ontime records have gotten increasingly worse.

Mr. Chairman, in addition to its appropriation levels, H.R. 8351 deserves our scrutiny in other areas as well. Section 9 of the bill would increase the limit for the guaranteed loan for Amtrak from a present \$200 million to \$250 million for this fiscal year. It is hard for us to forget the debate and controversy over a \$250 million guaranteed loan to Lockheed only several years back, but where is the debate and controversy on this bill's guaranteed loan?

Mr. Chairman, I am also concerned over another area of Amtrak spending. Amtrak research on marketing and passenger train use, as well as a poll by Louis Harris commissioned by Amtrak, show that public utilization of rail transportation could be increased if trains could compete with the substantially faster air travel. There are few operating high-speed passenger trains in the United States, but these few high-speed runs have been successful—for example, the Washington to New York Metroliner—and indicate a great potential for similar services in other high-density population corridors.

But despite this potential, the existing lack of research in high-speed rail travel, and the fact that only a faster passenger rail service can compete with air transportation, the administration and Amtrak have apparently not pursued the high-speed research with much vigor. Fifteen million dollars in funds for the Federal Railroad Administration for high-speed rail transport research last fiscal year were not spent. This seems

difficult to explain in the light of the demonstrated need for the research.

Mr. Chairman, I could support a program of a more limited and local nature—I think that Government subsidized passenger train travel must begin on a quality, not quantity basis. Amtrak has had some success with intercity, high population corridor transportation, and I think that area should be pursued before Federal moneys are put into more glamorous long haul or transcontinental routes.

Traveling from Chicago to the west coast would be an exciting trip, but I would much rather see fast, clean, efficient intercity travel available first.

The short haul corridor routes can serve more people more often. When short runs are proven effective, worthwhile, and self-supporting, then they can serve as a basis for extension of operations to longer runs.

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

Mr. HARVEY. We have no further requests for time, Mr. Chairman.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

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 102 of the Rail Passenger Service Act of 1970 (45 U.S.C. 502), relating to definitions, is amended—

(1) by striking out paragraph (5), relating to the definition of intercity rail passenger service, and inserting in lieu thereof the following:

"(5) 'Intercity rail passenger service' means all rail passenger service other than commuter and other short-haul service in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations.;" and

(2) by adding at the end thereof the following new paragraph:

"(9) 'Auto-ferry service' means service characterized by transportation of automobiles and their occupants."

Sec. 2. (a) Section 303(a) of the Rail Passenger Service Act of 1970 (45 U.S.C. 543(a)), relating to the board of directors, is amended to read as follows:

"(a) (1) The Corporation shall have a board of directors consisting of seventeen individuals who are citizens of the United States selected as follows:

"(A) The Secretary of Transportation, ex officio.

"(B) Nine members appointed by the President, by and with the advice and consent of the Senate, to serve for terms of four years or until their successors have been appointed and qualified, of whom not more than five shall be appointed from the same political party.

"(C) Three members elected annually by the common stockholders of the Corporation.

"(D) Four members elected annually by the preferred stockholders of the Corporation, which members shall be elected as soon as practicable after the first issuance of preferred stock by the Corporation.

"(2) Any vacancy in the membership of the board shall be filled in the same manner as in the case of the original selection; except that any member appointed by the President under paragraph (1)(B) of this subsection to fill a vacancy shall be appointed only for the unexpired term of the member he is appointed to succeed.

"(3) The board shall elect one of its members annually to serve as Chairman.

"(4) Not less than three members appointed by the President shall be designated by him, at the time of their appointment, to serve as consumer representatives, of whom not more than two shall be members of the same political party.

"(5) Each member not employed by the Federal Government shall receive compensation at the rate of \$300 for each meeting of the board he attends. In addition, each member shall be reimbursed for necessary travel and subsistence expenses incurred in attending meetings of the board.

"(6) No member elected by railroads shall vote on any action of the board relating to any contract or operating relationship between the Corporation and a railroad, but he may be present at meetings of the board at which such matters are voted upon, and he may be included for purposes of determining a quorum and may participate in discussions at any such meeting.

"(7) No member appointed by the President may—

"(A) have any direct or indirect financial or employment relationship with any railroad, nor

"(B) have any significant direct or indirect financial relationship, or any direct or indirect employment relationship, with any person engaged in the transportation of passengers in competition with the Corporation, during the time that he serves on the board.

"(8) Pending the election of the four members by the preferred stockholders of the Corporation under paragraph (1)(D) of this subsection, seven members shall constitute a quorum for the purpose of conducting the business of the board.

"(9) Any vacancy in the membership of the board of directors required to be filled by appointment by the President under paragraph (1)(B) of this subsection shall be filled by the President not more than one hundred and twenty days after such vacancy occurs."

(b) (1) Notwithstanding any other provision of law, the term of each member of the board of directors appointed by the President under section 303(a) of the Rail Passenger Service Act of 1970 (as in effect on the day before the date of enactment of this Act) who is serving under such appointment on such date of enactment, shall expire on the thirtieth day after such date of enactment, except that each such member so serving shall continue to serve until his successor is appointed and qualified or until the expiration of the one-hundred-twenty-day period beginning on the thirtieth day after such date of enactment, whichever first occurs. No member of the board of directors referred to in the preceding sentence shall be ineligible for appointment as such a member after the date of enactment of this Act solely by reason of the enactment of such preceding sentence.

(2) Notwithstanding section 303(a)(1)(B) of the Rail Passenger Service Act of 1970, of the members of the board of directors first appointed by the President under such section 303(a)(1)(B), three shall be appointed to serve for terms of two years and three shall be appointed to serve for terms of three years.

Sec. 3. Section 305(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 545(b)), relating to general powers of the Corporation, is amended by striking out the second sentence and inserting in lieu thereof the following: "In order to increase revenues and to better accomplish the purposes of this Act, the Corporation is authorized to modify its services to provide, as a part of the basic passenger services authorized by this Act, auto-ferry service characterized by the carriage of automobiles or other property belonging to passengers, except that nothing contained in this Act shall prevent any other person (other than a railroad) from

engaging in such auto-ferry service over any route if—

"(1) such person establishes to the satisfaction of the Commission that such auto-ferry service—

"(A) will not impair the ability of the Corporation to reduce its losses or to increase its revenues, and

"(B) is required to meet the demands of the public; or

"(2) such auto-ferry service is being performed by such person on the date of enactment of this paragraph under contracts entered into before October 30, 1970.

The Corporation is authorized to acquire, lease, modify, or develop the equipment and facilities required for the efficient provision of mail, express, and auto-ferry service, or to enter into contracts for the provision of such service."

SEC. 4. Section 305 of the Rail Passenger Service Act of 1970 (45 U.S.C. 545), relating to general powers of the Corporation, is amended by adding at the end thereof the following new subsection:

"(c) (1) When the Corporation cannot acquire by contract, or is unable to agree with the owner of property as to the compensation to be paid for, any right-of-way, land, or other property (except right-of-way, land, or other property of a railroad or property of a State or local government or other public agency) required for the construction of tracks or other facilities necessary to provide intercity rail passenger service, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which the property is located, or in one such court in the event a single property is located in two districts.

"(2) The Corporation shall file with the complaint, or at any time before judgment, a declaration of taking, containing or having annexed thereto—

"(A) a statement of the public use for which the property is taken;

"(B) a description of the property taken sufficient for the identification thereof;

"(C) a statement of the estate or interest in the property taken;

"(D) a plan showing the property taken; and

"(E) a statement of the amount of money estimated by the Corporation to be just compensation for the property taken.

"(3) Upon the filing of the declaration of taking and of the deposit in the court, to the use of the persons entitled thereto, of the amount of the estimated compensation stated in the declaration, the property shall be deemed to be condemned and taken for the use of the Corporation and title shall vest in the Corporation in fee simple absolute, or in any lesser estate or interest as specified in the declaration, and the right to just compensation for the property shall vest in the persons entitled thereto. Just compensation shall be ascertained and awarded in the proceeding and established by judgment. The judgment shall include, as part of the just compensation awarded, interest from the date of taking to the date of payment at the rate of 6 per centum per annum on the amount finally awarded as the value of the property on the date of taking. Interest shall not be allowed, however, on the amount deposited in the court.

"(4) Upon the application of the parties in interest, the court may order that the money deposited in the court, or any part thereof, be paid forthwith for or on account of the just compensation to be awarded in the proceeding. If the compensation finally awarded exceeds the amount of the money received by any person entitled to compensation, the court shall enter judgment against the Corporation for the amount of the deficiency.

"(5) Upon the filing of a declaration of taking, the court may fix the time within

which, and the terms upon which, the parties in possession are required to surrender possession to the Corporation. The court may make such orders in respect to encumbrances, liens, rents, taxes, assessments, insurance, and other charges, if any, as shall be just and equitable."

Sec. 5. Section 401(c) of the Rail Passenger Service Act of 1970 (45 U.S.C. 561(c)), relating to the prohibition against other persons conducting intercity rail passenger service, is amended by striking out "No railroad or any other person" and inserting in lieu thereof "Except as provided in section 305(b) of this Act concerning auto-ferry service, no railroad or any other person".

Sec. 6. Section 402 of the Rail Passenger Service Act of 1970 (45 U.S.C. 562), relating to facility and service agreements, is amended—

(1) by inserting immediately after the second sentence of subsection (a) the following new sentence: "In fixing just and reasonable compensation for the provision of services ordered by the Commission under the preceding sentence, the Commission shall, in fixing compensation in excess of incremental costs, consider quality of service as a major factor in determining the amount (if any) of such compensation.;" and

(2) by adding at the end thereof the following new subsections:

"(d) (1) If the Corporation and a railroad are unable to agree upon terms for the sale to the Corporation of property (including interests in property) owned by the railroad and required for the construction of tracks or other facilities necessary to provide intercity rail passenger service, the Corporation may apply to the Commission for an order establishing the need of the Corporation for the property at issue and requiring the conveyance thereof from the railroad to the Corporation on reasonable terms and conditions, including just compensation. Unless the Commission finds that—

"(A) conveyance of the property to the Corporation would significantly impair the ability of the railroad to carry out its obligations as a common carrier; and

"(B) the obligations of the Corporation to provide modern, efficient, and economical rail passenger service can adequately be met by the acquisition of alternative property (including interests in property) which is available for sale on reasonable terms to the Corporation, or available to the Corporation by the exercise of its authority under section 305(c) of this Act;

the need of the Corporation for the property shall be deemed to be established and the Commission shall order the conveyance of the property to the Corporation on such reasonable terms and conditions as it may prescribe, including just compensation.

"(2) The Commission shall expedite proceedings under this subsection and, in any event, issue its order within one hundred and twenty days from receipt of the application from the Corporation. If just compensation has not been determined on the date of the order, the order shall require as part of just compensation, interest at the rate of 6 per centum per annum from the date prescribed for conveyance until just compensation is paid.

"(e) (1) Except in an emergency, intercity passenger trains operated by or on behalf of the Corporation shall be accorded preference over freight trains in the use of any given line of track, junction, or crossing, unless the Secretary has issued an order to the contrary in accordance with paragraph (2) of this subsection.

"(2) Any railroad whose rights with regard to freight train operation are affected by paragraph (1) of this subsection may file an application with the Secretary requesting appropriate relief. If, after hearing under section 553 of title 5 of the United States Code, the Secretary finds that adherence to

such paragraph (1) will materially lessen the quality of freight service provided to shippers, the Secretary shall issue an order fixing rights of trains, on such terms and conditions as are just and reasonable.

"(f) If, upon request of the Corporation, a railroad refuses to permit accelerated speeds by trains operated by or on behalf of the Corporation, the Corporation may apply to the Secretary for an order requiring the railroad to permit such accelerated speeds. The Secretary shall make findings as to whether such accelerated speeds are unsafe or otherwise impracticable, and with respect to the nature and extent of improvements to track, signal systems, and other facilities that would be required to make such accelerated speeds safe and practicable. After hearing, the Secretary shall issue an order fixing maximum permissible speeds of Corporation trains, on such terms and conditions as he shall find to be just and reasonable."

Sec. 7. (a) Section 403 of the Rail Passenger Service Act of 1970 (45 U.S.C. 563), relating to new service, is amended by adding at the end thereof the following new subsection:

"(d) The Corporation shall initiate not less than one experimental route each year, such route to be designated by the Secretary, and shall operate such route for not less than two years. After such two-year period, the Secretary shall terminate such route if he finds that it has attracted insufficient patronage to serve the public convenience and necessity, or he may designate such route as a part of the basic system."

(b) Section 404(b) (2) of the Rail Passenger Service Act of 1970 (45 U.S.C. 564(b) (2)), relating to discontinuance of service, is amended to read as follows:

"(2) Except as otherwise provided in this paragraph and in section 403(a) of this Act, service beyond that prescribed for the basic system undertaken by the Corporation upon its own initiative may be discontinued at any time. No such service undertaken by the Corporation on or after January 1, 1973, shall be discontinued until the expiration of the one-year period beginning on the date of enactment of this sentence.

Sec. 8. Section 601 of the Rail Passenger Service Act of 1970 (45 U.S.C. 601), relating to Federal grants, is amended—

(1) by striking out "There is authorized to be appropriated to the Secretary in fiscal year 1971, \$40,000,000, and in subsequent fiscal years a total of \$225,000,000, these amounts" in subsection (a) and inserting in lieu thereof "There are authorized to be appropriated to the Secretary \$106,100,000 for the fiscal year ending June 30, 1974.;"

(2) by striking out "There is authorized to be appropriated to the Secretary \$2,000,000 annually," in subsection (b) and inserting in lieu thereof "There are authorized to be appropriated to the Secretary \$1,200,000 for the fiscal year ending June 30, 1974, to remain available until expended.;" and

(3) by adding at the end thereof the following new subsection:

"(c) (1) Whenever the Corporation submits any budget estimate or request to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or requests to the Congress.

"(2) Whenever the Corporation submits any legislative recommendation, proposed testimony, or comments on legislation to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Corporation to submit its legislative recommendations, proposed testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submis-

sion of such recommendations, testimony, or comments to the Congress."

SEC. 9. Section 602 of the Rail Passenger Service Act of 1970 (45 U.S.C. 602), relating to guarantee of loans, is amended—

(1) by inserting "and with the approval of the Secretary of the Treasury," immediately after "prescribe," in subsection (a);

(2) by amending the first sentence of subsection (d) to read as follows: "The aggregate unpaid principal amount of securities, obligations, or loans outstanding at any one time, which are guaranteed by the Secretary under this section, may not exceed \$250,000,000.;" and

(3) by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this Act, a guarantee may not be made of any security, obligation, or loan, the income from which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954."

SEC. 10. Section 801 of the Rail Passenger Service Act of 1970 (45 U.S.C. 641) is amended to read as follows:

"SEC. 801. ADEQUACY OF SERVICE.

"(a) The Commission is authorized to prescribe such regulations as it considers necessary to assure that the quality of service and accommodations offered passengers on board trains and at other facilities used in intercity rail passenger service is adequate, taking into account the safety regulations applicable to that service. The Commission may not prescribe regulations applicable to the Corporation that relate to the scheduling or frequency of service, or the number or type of cars in a train, or that otherwise conflict with the service characteristics established by the Secretary for the basic system.

"(b) Any person who violates a regulation issued under this section shall be subject to a civil penalty of not to exceed \$500 for each violation. Each day a violation continues shall constitute a separate offense."

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

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

There was no objection.

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

Mr. Chairman, I have not heard very much about the financing of this Amtrak proposition. Do I understand that up to this time Congress has authorized the expenditure of approximately \$400 million for the purpose of supporting Amtrak? Is it more or less than \$400 million?

Mr. STAGGERS. That is approximately right; yes, sir.

Mr. GROSS. And this bill would authorize an additional \$157 million?

Mr. STAGGERS. No, sir; \$107.3 million.

Mr. GROSS. \$107,300,000, yes, but it is also increased by \$50 million through the \$200 million loan guarantee program. Is that not an obligation of the Government?

Mr. STAGGERS. It is if Amtrak defaults, but we hope that it will be secured in such a way that it will not be.

Mr. GROSS. Let us just put a price tag of \$157 million on this at this time. With this new \$157 million shot-in-the-arm, how many more shots-in-the-arm will Amtrak get? Can anyone give us any

information as to how much further Congress expects to go with this, having already spent a half billion dollars of Federal funds?

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

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

Mr. KUYKENDALL. There may have been in the original debate 2 years ago some people who tried to give some illusions that we were talking about something breaking into the black in a reasonable period of time. I am certainly not one of those people, as far as I am concerned. This is an institution that maybe some time in the future will break into the black.

Does the gentleman ask how many more times? I am quite sure we will be back here asking for more money a year from now, and probably 2 years from now. I am not trying to delude anyone. I am saying this: I think this Congress has to decide whether it is going to have ground passenger transportation and at what level it is going to have it. There are a few roads that are now breaking even. Part of it is a luxury; part of it is not. I think the future is going to show that all of it is a necessity.

Mr. GROSS. Whether this country has rail passenger service is bound up in this Amtrak operation, is that what the gentleman is saying.

In the State of Iowa we have a comparatively few miles of trackage involved in Amtrak. The railroads out there are in pretty fair condition, financially speaking, although they do not provide passenger service.

Mr. KUYKENDALL. May I answer the gentleman from Iowa by saying this: There is no private railroad in the United States, with the exception of Southern—and the gentleman from Michigan will have something to say about Southern in just a few moments—that was not willing to pay a considerable amount of money to get rid of the passenger obligation. Not only did they not want the business, they paid cash money to get rid of it. Yet this Congress in—I do not know whether we want to call it its wisdom or not—but this Congress decided that ground transportation and a railroad capability were necessary. I happen to be one who supports that position.

Mr. GROSS. The gentleman from Tennessee understands my concern, and it is the concern of other Members of the House, that we are getting little or no benefit from Amtrak except to help pay its bills. Any benefit we get from Amtrak is indirect, and we are concerned about this continued shot-in-the-arm business. It seems to me that somebody is going to have to do something about this operation before it gets any deeper into the Federal Treasury.

Is that train still running from Washington to Parkersburg, W. Va.?

Mr. KUYKENDALL. No, sir; it is not. If the gentleman from Iowa will yield for just a moment, I know that my people in my district share some of these concerns the gentleman is talking about, but I, for instance, am from Memphis, Tenn. We have spent 3 months talking about

Northeastern railroads. I do not have anybody in my district directly affected by Northeastern railroads; yet we spent months working on it. We find this necessary in this job of being a Congressman. I hope the figures will look better.

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

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

Mr. GROSS. Mr. Chairman, I note in the report that the committee itself reports it was overly optimistic in believing the \$237 million originally appropriated would put Amtrak in gear and keep it running. Twice that amount has been expended, and now we have this additional \$157 million.

It is also interesting to note that the Office of Management and Budget made no report with respect to the expenditure proposed in this bill for fiscal year 1974. I submit that Congress has already been more than generous to Amtrak and I will vote against this bill.

AMENDMENT OFFERED BY MR. DINGELL.

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

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 14, immediately after line 19, insert the following: "Nothing in this section shall be construed to restrict the right of a railroad that has not entered into a contract with the Corporation under section 401(a) of this Act from performing auto-ferry service over its own lines."

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

Mr. DINGELL. I yield to the gentleman from West Virginia, the chairman of the committee.

Mr. STAGGERS. Mr. Chairman, we have looked at the amendment on this side and we accept the amendment.

I hope the gentleman from Michigan will do the same thing.

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

Mr. DINGELL. I yield to the gentleman from Michigan (Mr. HARVEY).

Mr. HARVEY. Mr. Chairman, I will say to my friend, the gentleman from Michigan (Mr. DINGELL), that I have just received the amendment and I have read it. If I have read it correctly, I do not have any objection, but I would like to hear the gentleman explain it.

Mr. DINGELL. Mr. Chairman, the explanation for the amendment is simple and the amendment is simple.

In drafting the committee amendment to the original bill an oversight was unfortunately made. The oversight created a situation where a railroad which has not chosen to come into Amtrak could not operate auto-ferries even though it was engaging in the carriage of passengers on its lines. This oversight had a particularly deleterious effect on some very fine railroads, one of which is Southern Railroad.

It was not the intent of the committee that we should deny Southern the right to continue to carry passengers. We must remember that railroads like Southern have been able to carry passengers since the inception of Amtrak. But unfortunately the action of the commit-

tee without my amendment would now prohibit Southern, even though it has chosen to continue passenger service, from the privilege of engaging in this new innovation in passenger auto hauling. I note for my colleagues that the committee, in the bill, seeks to encourage, not only other corporations, both railroads and otherwise, to engage in the practice. The bill allows Amtrak to engage in that particular function.

That is the reason for the amendment, simply to clear up this unfortunate oversight in drafting the legislation and to carry out what was originally intended.

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

Mr. DINGELL. I yield to the gentleman from Michigan (Mr. HARVEY).

Mr. HARVEY. Mr. Chairman, if I understand the gentleman correctly, he is saying the Southern Railroad already has the right to provide passenger service because they have not entered into an agreement with Amtrak.

Mr. DINGELL. That is correct, and Southern has been providing passenger service on a continuing basis. The bill as presented to the House with the committee amendment would preclude them from engaging in auto-ferry service.

Mr. HARVEY. In our legislation on page 14 in the bill, we require that any person wishing to perform this service must first go to the Interstate Commerce Commission and satisfy that Commission with respect to two requirements. First, that they not impair the ability of the corporation to reduce its losses or to increase its revenues, and second they are required to meet the demands of the public. I am assuming, according to the gentleman from Michigan, that this has already been done.

Basically, they have established a right to provide passenger service before the ICC, so there is no reason why they should go there again.

Mr. DINGELL. Mr. Chairman, the gentleman is correct on that point. I would say to my good friend from Michigan that my amendment leaves things exactly as they are with regard to Southern Railroad, and other railroads which have not chosen to discontinue their passenger service. It says that they can continue carrying passengers as they do now if they so choose. They may also provide this auto-ferry service. It does not change anything, but prevents a change from taking place which precludes Southern Railroad from engaging in innovative auto-ferry service.

Mr. HARVEY. Mr. Chairman, I thank the gentleman for clarifying his amendment. I want to say that I support it.

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

Mr. DINGELL. Mr. Chairman, I yield to the gentleman from Tennessee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Chairman, I thank the gentleman for yielding to me.

I agree with his amendment. I think it is extremely helpful to Southern Railroad, which would otherwise be precluded from a service it previously had.

Mr. Chairman, let me compliment the gentleman on the sagacity of his amendment.

Mr. DINGELL. Mr. Chairman, I thank the gentleman from Tennessee for his remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STAGGERS

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

The Clerk read as follows:

Amendment offered by Mr. STAGGERS: Page 21, strike out lines 1, 2, and 3 and insert in lieu thereof the following:

(b) Section 404(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 564(b)), relating to discontinuance of service, is amended—

(1) by striking out "July 1, 1973" in paragraph (1) and inserting in lieu thereof "July 1, 1974";

(2) by amending paragraph (2) to read as follows:

Page 21, line 11, strike out the period following the quotation marks and insert in lieu thereof ";" and" and immediately after line 11, insert the following:

(3) by striking out "July 1, 1973" in paragraph (3) and inserting in lieu thereof "July 1, 1974".

Mr. STAGGERS. Mr. Chairman, to summarize what the intent of the committee was, we direct Amtrak to continue existing service for an additional year.

The money is appropriated in the bill, and there will be no question about that, so that is the intent of the committee.

Mr. HARVEY. Mr. Chairman, I wish to say that I have examined the amendment and we have no objection to the amendment.

As I understand it, it does exactly what the Board of Directors of Amtrak have already decided to do. What it does is to freeze these three additional routes into the basic service. We have no objection.

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

Mr. Chairman, I shall not oppose the amendment. I had planned to offer such an amendment myself, but I decided not to.

As a matter of fact, I wish to say this: I have always felt that any dealings between a committee which has the responsibility of writing laws, and an agency which has the responsibility of carrying out the laws, or a private business—and Amtrak is a mixture of the two—any time they do something on a voluntary or even semivoluntary basis that prevents the need of a law being passed, I wish to commend them for it.

Therefore, even though I shall not oppose the chairman's amendment, I do want to say for the record that the Amtrak board met voluntarily. They did withdraw the discontinuance notices and they did so without being instructed to or demanded of by this committee.

I see nothing wrong with the amendment, but I think it is good that we have in this colloquy and in this record that they did this voluntarily. I want to commend any agency or private business for doing things on a voluntary basis instead of being forced to do so by law.

Mr. DOWNING. Mr. Chairman, I rise in support of the amendment offered by my colleague, the chairman of the full committee, Mr. HARVEY STAGGERS. The service provided by Amtrak is the

only passenger train service available in my district. I have great concern for the present residents who will be immediately affected as well as those who come to the area as it expands and grows.

I urge the continuance of Amtrak service through the most populated "urban corridor" of Virginia, which connects Mount Vernon and those other great historic shrines of northern Virginia with Jamestown, Yorktown, and Williamsburg, the latter a city nationally recognized as the cradle of American culture and political development.

The second year of Amtrak service increased its passenger value by 38½ percent over the first year. In May 1973, the first month of Amtrak's third year on this route, passenger travel increased 82½ percent.

I find the reasoning for a continuance for an additional year to be adequately justified when I consider the enormous potential that exists, and will certainly grow, within the area I represent and the areas of my colleagues. Improved efforts to inform the general public of the service that is being provided will no doubt continue to increase public use.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PEYSER

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

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 24, after line 2, insert the following new subsection:

"(b) The Secretary shall organize a Consumer Safety and Service Review Board which shall investigate all consumer and employee complaints of inadequate safety and service features on railroads owned or operated by the Corporation. The Board shall be composed of seven members, appointed by the Secretary, of which no less than three shall be selected from private life. Members of the Board from private life shall receive such per diem expenses as necessary while engaged in the actual performance of the duties vested in the Board. The results of all investigations by the Board shall be reported to the Secretary, who shall then take appropriate action as may be provided by law. An annual report on the safety and service of the Corporation railroads, with recommendations, shall be made by the Board, and shall be transmitted on or before March 1 of each year following enactment of this Act."

Renumber all subsections appropriately.

Mr. PEYSER. Mr. Chairman, I believe this amendment, which is a very simple amendment, gives the public a voice on problems dealing with safety and service on the Amtrak railroad.

I am in no way trying to attack Amtrak, but I have had the experience in my district, dealing with the Penn Central Railroad, where the public just never has been able to get an independent voice in dealing with the problems of safety and service.

It seems to me that by the creation of this Board, the Consumer Safety and Service Review Board, we would be merely giving the public a way of having a sounding board so that when the problems develop concerning safety and

service, if they do develop, the public can reach this committee and know that these matters will be looked into by an independent body with public representation.

It would seem to me every Member of Congress would be delighted to have this kind of a board, so that when we get the complaints sent to us this board can handle the situation.

It also is a way the public can truly have a voice.

Service and safety are two things I have been deeply concerned with when dealing with the railroads in my area. They have continually been a problem. The only redress the public has had has been to report to the railroad which created the problem and to say, "What do you think of this? What can you do about it?" I can tell the Members there has been little satisfaction.

I would think, for consumer protection, with which we are all concerned, we would want to see this plan move ahead.

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

I recognize the intent of the gentleman from New York, and it is very good. However, I should like to say that we did not hold hearings on this proposal.

First I should like to say that under H.R. 8351 there will be three consumers on the Board, so the consumers will be adequately represented on the Board itself.

We also have a National Transportation Safety Board downtown. The proposed amendment would create a multiplicity of bureaucracy working on the same problems.

If the gentleman would like to put this in the form of a bill, we would be glad to hold hearings on it, and if we feel it is needed we can certainly report out a bill.

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

I believe we have too many boards in our Government right now. What we really need, insofar as Amtrak is concerned, are people who know how to run a railroad.

This is one of the things which the committee has tried to correct in the restructuring of the board of directors which the chairman has mentioned, and specifically the committee paid close attention to consumers and their thinking.

Mr. Chairman, I will read from page 11 of the bill, section 2(a)(4), and I quote:

"(4) Not less than three members appointed by the President shall be designated by him, at the time of their appointment, to serve as consumer representatives, of whom not more than two shall be members of the same political party."

Mr. Chairman, it was the thinking of our subcommittee and of our full committee that attention ought to be given to the complaints of the consumers, but the place to provide for review of consumers complaints was not to another board but, rather, to where it could really count, to the board of directors.

I must say that I had some questions myself when the committee did this and put this in the structure of the board of directors, but nevertheless the full committee saw fit to do it. That is probably

the most effective place it possibly could be.

So with that in the language, Mr. Chairman, I truly do not believe that we need another review board of any sort whatsoever, and I must oppose the amendment.

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

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

Mr. PEYSER. Mr. Chairman, the question I have concerning this is:

Does the present board have any authority in questions dealing with service on the Amtrak Railroad?

Mr. HARVEY. Does the present board of directors have an authority?

Mr. PEYSER. Yes.

Mr. HARVEY. Yes, it most certainly does. It has full control. This is the board of directors that runs Amtrak, for a profit corporation.

Mr. PEYSER. Mr. Chairman, I would like to change my question.

I am looking at section 801, Adequacy of Service, where it says:

The Commission may not prescribe regulations applicable to the Corporation that relate to the scheduling or frequency of service, or the number or type of cars—

And so forth.

What I am trying to do is to find a way that the public can have a direct method of getting into this entire question of adequate service, as well as safety, and it seems to me that the bill, the way it is now set up, specifically precludes that from happening.

Mr. HARVEY. Mr. Chairman, I will have to disagree with my friend, the gentleman from New York. By putting these three Presidential appointees on the board of 17 members, two of one political party and one of another with all three in the area of consumer affairs, the committee has given a very strong emphasis to providing for reviews of consumers' complaints. I do not believe that the Congress could put any stronger emphasis on this matter than has already been done.

Mr. PEYSER. Mr. Chairman, I thank the gentleman.

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

Mr. Chairman, I agree with the gentleman from Michigan (Mr. HARVEY) that we already have too many boards, bureaus, and commissions in this Government, and I am surprised that the State of New York does not have or apparently does not have some kind of a public utility regulatory commission. I am also surprised that there is no agency in the government of the State of New York that is dedicated at least to some extent to the interests of consumers.

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

Mr. GROSS. Yes, I am glad to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, what I would like to state to the gentleman is that it is not just a question of the State of New York, but in the Federal regulations, when we have pursued the question of safety on the railroads, we have been told by the regulatory board down here that safety pertains only to the

condition of the tracks and nothing inside the cars under the realm of safety.

The same thing happens to be true in the State of New York, where on the Penn Central Railroad, for instance, we have railroad cars running with no fire extinguishers, no first-aid kits, and no way of combating fires, of which they have had innumerable ones, and there is nothing in the law which allows them to do anything about it.

Mr. GROSS. There is nothing in the law?

Mr. PEYSER. There is nothing in the State law nor in the Federal law.

Mr. GROSS. There is nothing in the State utility commission, or whatever the designation of it is in the State of New York, and it has no authority? Is the gentleman saying it has no authority to do anything about it?

Mr. PEYSER. No, sir; nor does the Federal Government have anything in the law about the situations I have described.

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

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

Mr. DINGELL. Mr. Chairman, I would like to commend the gentleman from New York for his comments. As the chairman of the committee has already pointed out, the committee is keenly aware of the situation, and we did not set up a panel; we put the consumers' representatives right on the board.

I will give the gentleman from New York my assurance of this: This bill is not enough to keep Amtrak going very long. This bill is going to assure us that Amtrak will be back before us.

If the gentleman from New York has any complaints from any of his constituents regarding Amtrak, you see to it that the committee gets those complaints and we will see that they are acted on by Amtrak. I say that because this subcommittee takes a great interest in it, and we intend to see that they function wisely, well, and prudently in the public interest.

I thank the gentleman from Iowa for yielding to me.

Mr. GROSS. Mr. Chairman, I would like to say further that I do not know where the \$157 million is going to come from to finance Amtrak for another fiscal year. I can only assume it is going to be borrowed and 8 percent interest paid on the money. I am opposed to this amendment and to this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to be proposed? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FLOWERS, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill

as practicable after the first issuance of preferred stock by the Corporation.

(2) Any vacancy in the membership of the board shall be filled in the same manner as in the case of the original selection; except that any member appointed by the President under paragraph (1)(B) of this subsection to fill a vacancy shall be appointed only for the unexpired term of the member he is appointed to succeed.

(3) The board shall elect one of its members annually to serve as Chairman.

(4) Not less than three members appointed by the President shall be designated by him, at the time of their appointment, to serve as consumer representatives, of whom not more than two shall be members of the same political party.

(5) Each member not employed by the Federal Government shall receive compensation at the rate of \$300 for each meeting of the board he attends. In addition, each member shall be reimbursed for necessary travel and subsistence expenses incurred in attending meetings of the board.

(6) No member elected by railroads shall vote on any action of the board relating to any contract or operating relationship between the Corporation and a railroad, but he may be present at meetings of the board at which such matters are voted upon, and he may be included for purposes of determining a quorum and may participate in discussions at any such meeting.

(7) No member appointed by the President may—

(A) have any direct or indirect financial or employment relationship with any railroad, nor

(B) have any significant direct or indirect financial relationship, or any direct or indirect employment relationship, with any person engaged in the transportation of passengers in competition with the Corporation, during the time that he serves on the board.

(8) Pending the election of the four members by the preferred stockholders of the Corporation under paragraph (1)(D) of this subsection, seven members shall constitute a quorum for the purpose of conducting the business of the board.

(9) Any vacancy in the membership of the board of directors required to be filled by appointment by the President under paragraph (1)(B) of this subsection shall be filled by the President not more than one hundred and twenty days after such vacancy occurs.

(b) (1) Notwithstanding any other provision of law, the term of each member of the board of directors appointed by the President under section 303(a) of the Rail Passenger Service Act of 1970 (as in effect on the day before the date of enactment of this Act) who is serving under such appointment on such date of enactment, shall expire on the thirtieth day after such date of enactment, except that each such member so serving shall continue to serve until his successor is appointed and qualified or until the expiration of the one-hundred-twenty-day period beginning on the thirtieth day after such date of enactment, whichever first occurs. No member of the board of directors referred to in the preceding sentence shall be ineligible for appointment as such a member after the date of enactment of this Act solely by reason of the enactment of such preceding sentence.

(2) Notwithstanding section 303(a)(1)(B) of the Rail Passenger Service Act of 1970, of the members of the board of directors first appointed by the President under such section 303(a)(1)(B), three shall be appointed to serve for terms of two years and three shall be appointed to serve for terms of three years.

Sec. 3. Section 305(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 545(b)), relating to general powers of the Corporation, is amended by striking out the second sentence

and inserting in lieu thereof the following: "In order to increase revenues and to better accomplish the purposes of this Act, the Corporation is authorized to modify its services to provide, as a part of the basic passenger services authorized by this Act, auto-ferry service characterized by the carriage of automobiles or other property belonging to passengers, except that nothing contained in this Act shall prevent any other person (other than a railroad) from engaging in such auto-ferry service over any route if—

(1) such person establishes to the satisfaction of the Commission that such auto-ferry service—

(A) will not impair the ability of the Corporation to reduce its losses or to increase its revenues, and

(B) is required to meet the demands of the public; or

(2) such auto-ferry service is being performed by such person on the date of enactment of this paragraph under contracts entered into before October 30, 1970.

Nothing in this section shall be construed to restrict the right of a railroad that has not entered into a contract with the Corporation under section 401(a) of this Act from performing auto-ferry service over its own lines. The Corporation is authorized to acquire, lease, modify, or develop the equipment and facilities required for the efficient provision of mail, express, and auto-ferry service, or to enter into contracts for the provision of such service."

Sec. 4. Section 305 of the Rail Passenger Service Act of 1970 (45 U.S.C. 545), relating to general powers of the Corporation, is amended by adding at the end thereof the following new subsection:

(c) (1) When the Corporation cannot acquire by contract, or is unable to agree with the owner of property as to the compensation to be paid for, any right-of-way, land, or other property (except right-of-way, land, or other property of a railroad or property of a State or local government or other public agency) required for the construction of tracks or other facilities necessary to provide intercity rail passenger service, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which the property is located, or in one such court in the event a single property is located in two districts.

(2) The Corporation shall file with the complaint, or at any time before judgment, a declaration of taking containing or having annexed thereto—

(A) a statement of the public use for which the property is taken;

(B) a description of the property taken sufficient for the identification thereof;

(C) a statement of the estate or interest in the property taken;

(D) a plan showing the property taken; and

(E) a statement of the amount of money estimated by the Corporation to be just compensation for the property taken.

(3) Upon the filing of the declaration of taking and of the deposit in the court, to the use of the persons entitled thereto, of the amount of the estimated compensation stated in the declaration, the property shall be deemed to be condemned and taken for the use of the Corporation and title shall vest in the Corporation in fee simple absolute, or in any lesser estate or interest as specified in the declaration, and the right to just compensation for the property shall vest in the persons entitled thereto. Just compensation shall be ascertained and awarded in the proceeding and established by judgment. The judgment shall include, as part of the just compensation awarded, interest from the date of taking to the date of payment at the rate of 6 per centum per annum on the amount finally awarded as the value of the property on the date of taking. In-

terest shall not be allowed, however, on the amount deposited in the court.

(4) Upon the application of the parties in interest, the court may order that the money deposited in the court, or any part thereof, be paid forthwith for or on account of the just compensation to be awarded in the proceeding. If the compensation finally awarded exceeds the amount of the money received by any person entitled to compensation, the court shall enter judgment against the Corporation for the amount of the deficiency.

(5) Upon the filing of a declaration of taking, the court may fix the time within which, and the terms upon which, the parties in possession are required to surrender possession to the Corporation. The court may make such orders in respect to encumbrances, liens, rents, taxes, assessments, insurance, and other charges, if any, as shall be just and equitable."

Sec. 5. Section 401(c) of the Rail Passenger Service Act of 1970 (45 U.S.C. 561(c)), relating to the prohibition against other persons conducting intercity rail passenger service, is amended by striking out "No railroad or any other person" and inserting in lieu thereof "Except as provided in section 305 (b) of this Act concerning auto-ferry service, no railroad or any other person".

Sec. 6. Section 402 of the Rail Passenger Service Act of 1970 (45 U.S.C. 562), relating to facility and service agreements, is amended—

(1) by inserting immediately after the second sentence of subsection (a) the following new sentence. "In fixing just and reasonable compensation for the provision of services ordered by the Commission under the preceding sentence, the Commission shall, in fixing compensation in excess of incremental costs, consider quality of service as a major factor in determining the amount (if any) of such compensation.;" and

(2) by adding at the end thereof the following new subsections:

(d) (1) If the Corporation and a railroad are unable to agree upon terms for the sale to the Corporation of property (including interests in property) owned by the railroad and required for the construction of tracks or other facilities necessary to provide intercity rail passenger service, the Corporation may apply to the Commission for an order establishing the need of the Corporation for the property at issue and requiring the conveyance thereof from the railroad to the Corporation on reasonable terms and conditions, including just compensation. Unless the Commission finds that—

(A) conveyance of the property to the Corporation would significantly impair the ability of the railroad to carry out its obligations as a common carrier; and

(B) the obligations of the Corporation to provide modern, efficient, and economical rail passenger service can adequately be met by the acquisition of alternative property (including interests in property) which is available for sale on reasonable terms to the Corporation, or available to the Corporation by the exercise of its authority under section 305(c) of this Act;

the need of the Corporation for the property shall be deemed to be established and the Commission shall order the conveyance of the property to the Corporation on such reasonable terms and conditions as it may prescribe, including just compensation.

(2) The Commission shall expedite proceedings under this subsection and, in any event, issue its order within one hundred and twenty days from receipt of the applications from the Corporation. If just compensation has not been determined on the date of the order, the order shall require, as part of just compensation, interest at the rate of 6 per centum per annum from the date prescribed for conveyance until just compensation is paid.

"(e)(1) Except in an emergency, intercity passenger trains operated by or on behalf of the Corporation shall be accorded preference over freight trains in the use of any given line of track, junction, or crossing, unless the Secretary has issued an order to the contrary in accordance with paragraph (2) of this subsection.

"(2) Any railroad whose rights with regard to freight train operation are affected by paragraph (1) of this subsection may file an application with the Secretary requesting appropriate relief. If, after hearing under section 553 of title 5 of the United States Code, the Secretary finds that adherence to such paragraph (1) will materially lessen the quality of freight service provided to shippers, the Secretary shall issue an order fixing rights of trains, on such terms and conditions as are just and reasonable.

"(f) If, upon request of the Corporation, a railroad refuses to permit accelerated speeds by trains operated by or on behalf of the Corporation, the Corporation may apply to the Secretary for an order requiring the railroad to permit such accelerated speeds. The Secretary shall make findings as to whether such accelerated speeds are unsafe or otherwise impracticable, and with respect to the nature and extent of improvements to track, signal systems, and other facilities that would be required to make such accelerated speeds safe and practicable. After hearing, the Secretary shall issue an order fixing maximum permissible speeds of Corporation trains, on such terms and conditions as he shall find to be just and reasonable."

SEC. 7. (a) Section 403 of the Rail Passenger Service Act of 1970 (45 U.S.C. 563), relating to new service, is amended by adding at the end thereof the following new subsection:

"(d) The Corporation shall initiate not less than one experimental route each year, such route to be designated by the Secretary, and shall operate such route for not less than two years. After such two-year period, the Secretary shall terminate such route if he finds that it has attracted insufficient patronage to serve the public convenience and necessity, or he may designate such route as a part of the basic system."

(b) Section 404(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 564(b)), relating to discontinuance of service, is amended—

(1) by striking out "July 1, 1973" in paragraph (1) and inserting in lieu thereof "July 1, 1974";

(2) by amending paragraph (2) to read as follows:

"(2) Except as otherwise provided in this paragraph and in section 403(a) of this Act, service beyond that prescribed for the basic system undertaken by the Corporation upon its own initiative may be discontinued at any time. No such service undertaken by the Corporation on or after January 1, 1973, shall be discontinued until the expiration of the one-year period beginning on the date of enactment of this sentence."

(3) by striking out "July 1, 1973" in paragraph (3) and inserting in lieu thereof "July 1, 1974".

SEC. 8. Section 601 of the Rail Passenger Service Act of 1970 (45 U.S.C. 601), relating to Federal grants, is amended—

(1) by striking out "There is authorized to be appropriated to the Secretary in fiscal year 1971, \$40,000,000, and in subsequent fiscal years a total of \$225,000,000, these amounts" in subsection (a) and inserting in lieu thereof "There are authorized to be appropriated to the Secretary \$106,100,000 for the fiscal year ending June 30, 1974";

(2) by striking out "There is authorized to be appropriated to the Secretary \$2,000,000 annually," in subsection (b) and inserting in lieu thereof "There are authorized to be appropriated to the Secretary \$1,200,000 for the

fiscal year ending June 30, 1974, to remain available until expended"; and

(3) by adding at the end thereof the following new subsection:

"(c)(1) Whenever the Corporation submits any budget estimate or request to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

"(2) Whenever the Corporation submits any legislative recommendation, proposed testimony, or comments on legislation to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Corporation to submit its legislative recommendations, proposed testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress."

SEC. 9. Section 602 of the Rail Passenger Service Act of 1970 (45 U.S.C. 602), relating to guarantee of loans, is amended—

(1) by inserting "and with the approval of the Secretary of the Treasury," immediately after "prescribe," in subsection (a);

(2) by amending the first sentence of subsection (d) to read as follows: "The aggregate unpaid principal amount of securities, obligations, or loans outstanding at any one time, which are guaranteed by the Secretary under this section, may not exceed \$250,000,000"; and

(3) by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this Act, a guarantee may not be made of any security, obligation, or loan, the income from which is not included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954."

SEC. 10. Section 801 of the Rail Passenger Service Act of 1970 (45 U.S.C. 641) is amended to read as follows:

"SEC. 801. ADEQUACY OF SERVICE.

"(a) The Commission is authorized to prescribe such regulations as it considers necessary to assure that the quality of service and accommodations offered passengers on board trains and at other facilities used in intercity rail passenger service is adequate, taking into account the safety regulations applicable to that service. The Commission may not prescribe regulations applicable to the Corporation that relate to the scheduling or frequency of service, or the number of type of cars in a train, or that otherwise conflict with the service characteristics established by the Secretary for the basic system.

"(b) Any person who violates a regulation issued under this section shall be subject to a civil penalty of not to exceed \$500 for each violation. Each day a violation continues shall constitute a separate offense."

The motion was agreed to.

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

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8351) was laid on the table.

PERSONAL EXPLANATION

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BUCHANAN. Mr. Speaker, I rise to express my sincere regret that I was detained in my office in a very important conference and, notwithstanding the

fact that I ran all the way to the floor, did not arrive in time to cast my vote in favor of this legislation. What this demonstrates is that I definitely am not a track star, but that I definitely am strongly in support of H.R. 8351 and I commend the House for its passage.

GENERAL LEAVE

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

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

There was no objection.

ELECTION OF MEMBER TO STANDING COMMITTEES OF THE HOUSE

Mr. GERALD R. FORD. Mr. Speaker, I offer a privileged resolution (H. Res. 534) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 534

Resolved, That ROBERT E. BAUMAN of Maryland be, and he is hereby, elected a member of the following standing committees of the House of Representatives: Committee on Interior and Insular Affairs; and Committee on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND SECTION 2 OF THE ACT OF JUNE 30, 1954, CONTINUING CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1385) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, with Senate amendments to the House amendment and consider the Senate amendments.

The Clerk read the title of the Senate bill.

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

Mr. SAYLOR. Mr. Speaker, reserving the right to object, I take this time to direct a question to the gentleman from California and ask whether or not he will explain what the legislation will do.

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

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

Mr. BURTON. Mr. Speaker, this legislation authorizes the appropriation of \$60,000,000 annually for the continuance of civil government in the Trust Territory of the Pacific Islands, plus an additional \$10,000,000 annually to offset any curtailment or termination of Federal grant-in-aid programs of any other Federal agencies. The amendments to the Senate amendments would authorize appropriations for 2 fiscal years, 1974 and

1975, rather than for fiscal year 1974 only. As originally passed by the House, the legislation authorized appropriations for 3 fiscal years, 1974, 1975, and 1976. In other words, these amendments provide for a 2-year program in lieu of the 3-year program approved by the House, and the 1-year program approved by the Senate.

Mr. SAYLOR. Mr. Speaker, with that explanation, I concur in the action requested by the gentleman from California and I withdraw my objection.

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

There was no objection.

The SPEAKER. The Clerk will read the first Senate amendment to the House amendment.

The Clerk read as follows:

Senate amendment No. 1: Page 1, lines 5 and 6, of the House engrossed amendment, strike out "and for each of the fiscal years 1974, 1975, and 1976, \$60,000,000" and insert: "for fiscal year 1974, \$60,000,000".

MOTION OFFERED BY MR. BURTON

Mr. BURTON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BURTON moves to concur in the Senate amendment No. 1 with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert "and for each of the fiscal years 1974 and 1975, \$60,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 2: Page 1, line 7, of the House engrossed amendment, strike out "\$10,000,000, for each of such fiscal years," and insert: "\$10,000,000 for fiscal year 1974".

MOTION OFFERED BY MR. BURTON

Mr. BURTON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BURTON moves to disagree to Senate amendment No. 2.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 3: Page 1, after line 10, of the House engrossed amendment, insert:

SEC. 2. The Act of June 30, 1954, as amended, is further amended by adding at the end thereof the following new section:

SEC. 4. (a) The government comptroller for Guam appointed pursuant to the provisions of section 9-A of the Organic Act of Guam shall, in addition to the duties imposed on him by such Act, carry out, on and after the date of the enactment of this section, the duties set forth in this section with respect to the government of the Trust Territory of the Pacific Islands. In carrying out such duties, the comptroller shall be under the general supervision of the Secretary of the Interior and shall not be a part of any executive department in the government of the Trust Territory of the Pacific Islands. The salary and expenses of the comptroller's office shall, notwithstanding the provisions of subsection (a) of section 9-A of the Organic Act of Guam, be apportioned equitably by the Secretary of the Interior between Guam and the Trust Territory of the Pacific Islands from funds available to Guam and the trust territory.

(b) The government comptroller shall audit all accounts and review and recommend adjudication of claims pertaining to the revenue and receipts of the government of the Trust Territory of the Pacific Islands and of funds derived from bond issues; and he shall audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the government of the Trust Territory of the Pacific Islands including those pertaining to trust funds held by such government.

(c) It shall be the duty of the government comptroller to bring to the attention of the Secretary of the Interior and the High Commissioner of the Trust Territory of the Pacific Islands all failures to collect amounts due the government, and the expenditures of funds or uses of property which are irregular or not pursuant to law. The audit activities of the government comptroller shall be directed so as to (1) improve the efficiency and economy of programs of the government of the Trust Territory of the Pacific Islands, and (2) discharge the responsibility incumbent upon the Congress to insure that the substantial Federal revenues which are covered into the treasury of such government are properly accounted for and audited.

(d) The decisions of the government comptroller shall be final except that appeal therefrom may, with the concurrence of the High Commissioner, be taken by the party aggrieved or the head of the department concerned, within one year from the date of the decision, to the Secretary of the Interior, which appeal shall be in writing and shall specifically set forth the particular action of the government comptroller to which exception is taken, with the reasons and the authorities relied upon for reversing such decision.

(e) If the High Commissioner does not concur in the taking of an appeal to the Secretary, the party aggrieved may seek relief by suit in the District Court of Guam, if the claim is otherwise within its jurisdiction. No later than thirty days following the date of the decision of the Secretary of the Interior, the party aggrieved or the High Commissioner, on behalf of the head of the department concerned, may seek relief by suit in the District Court of Guam, if the claim is otherwise within its jurisdiction.

(f) The government comptroller is authorized to communicate directly with any person or with any department officer or person having official relation with his office. He may summon witnesses and administer oaths.

(g) As soon after the close of each fiscal year as the accounts of said fiscal year may be examined and adjusted, the government comptroller shall submit to the High Commissioner and the Secretary of the Interior an annual report of the fiscal condition of the government, showing the receipts and disbursements of the various departments and agencies of the government. The Secretary of the Interior shall submit such report along with his comments and recommendations to the President of the Senate and the Speaker of the House of Representatives.

(h) The government comptroller shall make such other reports as may be required by the High Commissioner, the Comptroller General of the United States, or the Secretary of the Interior.

(i) The office and activities of the government comptroller pursuant to this section shall be subject to review by the Comptroller General of the United States, and reports thereon shall be made by him to the High Commissioner, the Secretary of the Interior, the President of the Senate and the Speaker of the House of Representatives.

(j) All departments, agencies, and establishments shall furnish to the government comptroller such information regarding the powers, duties, activities, organization, financial transactions, and methods of business

of their respective offices as he may from time to time require of them; and the government comptroller, or any of his assistants or employees, when duly authorized by him, shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of any such department, agency, or establishment."

Mr. BURTON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment No. 3 be considered as read and printed in the RECORD.

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

There was no objection.

MOTION OFFERED BY MR. BURTON

Mr. BURTON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BURTON moves to concur in Senate amendment No. 3.

The motion was agreed to.

A motion to reconsider was laid on the table.

EXPORT ADMINISTRATION ACT AMENDMENT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 484 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 484

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. 8547) to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. BOLLING. Mr. Speaker, this rule is an open rule providing for 1 hour of general debate. I understand there is controversy not only on the bill itself but also on the rule. I have a request from a Member who wishes to speak against it. I intend to yield time to him soon, but before that I should like to yield such time as he may consume to the gentleman from California (Mr. HANNA).

Mr. HANNA. I thank the gentleman for yielding.

Mr. Speaker, the Export Administration Act amendments contained in H.R. 8547 propose a moderate expansion of the President's power to control the export of goods in short supply or subject to abnormal foreign demand. The

bill does less than the administration originally requested; it does not authorize export controls to be imposed in the absence of scarcity or excessive foreign buying. But it does provide a level of authority sufficient to develop a viable long-term export policy—a policy which strikes the delicate balance between protecting our domestic price situation and restoring confidence in our currency and in our stability as a trading partner.

There is no question, Mr. Speaker, that agricultural commodities currently present the most salient example of an area where such a balance must be aggressively sought. Last fall, the administration estimated that there would be a 5-percent rise in domestic food prices this year; that estimate has now been revised to upwards of 20 percent. At the same time, we are experiencing a dramatic decline in our carryover reserves of basic grains. Yet, our agricultural exports are up approximately 50 percent over last year. In 1972, foreign sales accounted for more than one-half the U.S. production of soybeans and rice, over two-fifths of our cattle hides, and over one-third of our wheat production. It has been estimated that perhaps one-sixth of the total increase in food prices this year may be attributable to our current farm export boom.

It is critical to understand that this change in the balance between domestic prices and foreign demand did not develop overnight; it would have been foreseen by an administration which was willing to plan, to exercise foresight, to develop an economic program which reflects a rational, coherent, and predictable economic policy. For years this country has actively encouraged the export of our agricultural commodities; yet, as late as last year, the administration pursued a policy of paying farmers to divert almost 60 million acres of cropland from food production. Food prices have been increasing faster than other commodities ever since the economic stabilization program began back in 1971; yet the administration waited so long to moderate food markets that when it finally did act, the results were shortages and permanently high prices. It has been no secret that under the stimuli of the dollar devaluations and of our own export expansion program, foreign demand has been rapidly increasing; still, exports of basic foodstuffs were not monitored until it was too late to develop any kind of moderate program. Nor has it been a secret that the upsurge in consumer incomes has led to increased domestic and worldwide demands for higher protein foods; yet we have seen no well-thought-out plan for increasing worldwide production.

A farsighted administration would have seen this problem developing long ago. Such an administration would have brought to an historic end the agricultural surplus mentality which for far too long has dominated our farm policy—encouraging expansion of markets on the one hand, paying farmers not to produce on the other. Such an administration would have taken decisive steps to increase our domestic supplies and productivity to meet an impending crisis

long before it developed. They would have gone to our foreign friends before a crisis was upon us and explained to them our past mistakes and the forthcoming supply shortage and sought their cooperation in sharing with us some short-term costs for the long-range advantage of all. Instead of farsightedness and economic planning, however, we have had a food policy which has led to staggering prices, broken contracts, and the wanton destruction of poultry.

The shortsightedness of the administration's economic policy led directly to the clumsy way in which it imposed export controls earlier this summer. On June 13, the President told us and the world that then existing export commitments would be honored. But on June 27, the administration ordered that contracts for 33 million bushels of soybeans not be fulfilled. On June 13, the President suggested that we would consult with other countries before moving on the export front to solve the domestic food price problem. But on June 27, the United States moved unilaterally with unexpected severity to the still-reverberating shock and consternation of our trading partners. Once again, the administration delayed acting until it was faced with an economic crisis; once again, it allowed all moderate alternative options to slip away. The blunderbuss of its economic style fired once again its short-ranged, indiscriminate barrage.

Criticism of the way in which the administration imposed agricultural export controls earlier this summer should not at all be seen as tolerance of our domestic price situation. But we can ill-afford to allow export controls to be used in an easy fashion. As we move ever closer to a world of increasing interdependence—to a world in which the United States is not only a major supplier of basic commodities but also a major purchaser as well—we must recognize the limitations as well as the opportunities which that interdependence places upon us. Action in one area of the world's economy inevitably brings reaction in others. Seeking short-term benefits by stumbling from one crisis to the next, without any coherent economic policy, creates long-term costs which must always be paid.

There is the cost to our credibility as a trading nation. At a time when our agricultural export program is finally reaching the level of its promise, our trading partners will now find it difficult to place their faith in us as a supplier and will seek out alternative sources for their needs.

There is the cost to the American farmer, 16 percent of whose receipts last year ultimately came from foreign sales. As he prepares a record crop, he must now face the inevitable price uncertainty brought about by the suddenness and crisis nature of the administration's policy.

There is the cost to the American dollar. Twice devalued already and still under pressure abroad, the sudden unavailability of basic American products for purchase can do nothing but further erode the world's already-battered faith in the stability of our currency.

There is the cost to our balance-of-

payments situation. Agricultural trade has registered a \$2.9 billion surplus in 1972 and holds out the hope of an \$8 billion annual gain in our balance of payments within a decade. One can only wonder what the effects of economic mismanagement will be here, as other countries are driven to take their business elsewhere.

There is the cost of worldwide inflation and the economic instability which follows in its wake. There are those who will remember that the same pattern of action and reaction, of fear and instability, of insecurity in world markets preceded the economic collapse of the Great Depression.

There is the cost to our trading partners who, at our own urging, have diversified their economies and have grown dependent on our agricultural exports. In Japan and the Republic of China, for example, soybeans are a basic staple of the human diet, and over 90 percent of the soybean imports of both countries come from the United States. As recently as a year ago, we were complaining to the Japanese that they were exporting too much to us and importing too little from us. But the suddenness of the administration's action earlier this summer can only encourage protectionists abroad.

Finally, there is the cost to the American consumer. Who among us can say that he and she will ultimately benefit by a decline in American credibility, by uncertainty on the farm, by a contraction of our markets abroad, by reduced faith in the dollar, by worldwide economic instability spurred by American mismanagement, and by the anger of our foreign friends with whom we stand in a relationship of mutual dependence? I am reminded of my own experience with a painter of Minuteman missiles.

This painter saw the opportunity to save a production company a few hundred dollars by changing to a different type of paint. But the paint he unilaterally went about putting on the missiles had catastrophic costs attached to it. The paint, as it turned out, interfered with the missile's electronics. This in turn caused a malfunctioning in its air induction system which rendered its powerful engines virtually inoperable. Let me tell you that this is remembered as one heck of a paint job.

The world economy is also delicately balanced, and its parts are also extremely interdependent. As a result, we must exercise care, and foresight, and long-range planning in our solutions to international economic problems. We cannot, like my painter friend, simply whitewash over them.

The developments which have led to current shortages and rising prices have been long in coming; simple and shortsighted solutions can only exacerbate the current situation which itself is already partly the product of economic carelessness. We must now have the courage, Mr. Speaker, to recognize the tragic reality that confronts us and tell it like it is to the American people. In the short-term, at least, continued shortages of basic commodities may occur and prices will remain high. But exports should not be-

come the whipping boy for past economic mistakes. Threatening exports in a cavalier manner is the most costly way of proceeding, and it deals only with the symptoms of our current problems rather than with the basic problem itself. We can no longer afford to project past policies on to a far different future; we must now, finally, have the courage to meet that future on its own terms.

To do this, Mr. Speaker, we must proceed now on a number of fronts. First, specifically with regard to export controls, they should play their proper role as part of a carefully planned, coherent, and cooperative economic program. It seems clear that whenever exports from this country rise to be a substantial part of our production and a major part of one of our trading partners' imports, the commodity involved should be constantly monitored, and production targets should be developed as part of a long-range plan. Where shortages are projected to exist, the burden should be balanced in such a way as to make it clear in advance that domestic needs will be met first and that any excess will be rationally allocated to our trading partners on the basis of their genuine needs and past trading patterns. With respect to commodities such as lumber, we should explore the feasibility of conditioning exports above a certain level on the presence of some domestic processing of the raw material; such a system may prove to be preferable to the present one—whereby we export the scarce raw material, causing domestic prices to rise, and then repurchase the finished product from abroad, injuring our balance-of-payments situation.

Second, and more importantly, Mr. Speaker, all must come to the basic realization that the ultimate long-range solution to the problem of rising prices must depend upon increasing the worldwide supply of those commodities where shortages are occurring. To accomplish this objective will take nothing less than the mobilization of our national intelligence. We must act now to expand our efforts to find new sources of protein and to encourage better utilization of those sources which presently exist. We need to act now to develop programs to substantially upgrade our distribution system to reduce the extensive livestock losses we suffer during their transportation in interstate commerce. We should act now to allocate resources to eliminate the shortage of farm equipment necessary to the effective utilization of cropland which has for too long been idled at Government insistence. We must look now for ways to improve the productive capacity of those nations whose food needs we can no longer meet. And we should move now to improve our weather prediction and detection capability through methods such as those envisioned by H.R. 8871.

Third, Mr. Speaker, we must look ahead to better coordinate the commercial and agricultural aspects of our export and food price problem. Specifically, we should look toward the development of machinery to insure more fluid interaction between Commerce and Agriculture Department policies, to upgrade the agricultural and commercial

attachés of all major embassy posts, and to create effective and operating advisory councils for all major export products.

Fourth, and lastly, Mr. Speaker, we need to be sure that as production is expanded, we are prepared for the eventuality of possible surpluses. We should look more aggressively at the potential of establishing multilateral agricultural reserves in the future—a program for which all participating nations would share the burden but from which all would receive the benefit.

Whatever our action today, Mr. Speaker, we must recognize that the record of recent events dictates that we still have much work ahead. That record dictates continued legislative oversight and guidance in our export policies. And, it demands a new economic thoughtfulness, statesmanship, and political courage on the part of the administration.

Mr. BOLLING. Mr. Speaker, this rule was reported out of the Rules Committee by a substantial majority. I support the adoption of the rule. I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) and reserve the remainder of my time.

Mr. LATTA. Mr. Speaker, the primary purpose of H.R. 8547 is to provide additional authority for export controls where they are necessary in order to reduce the inflationary impact of abnormal foreign demand.

Section 1 provides that the Secretary of Commerce is to investigate which commodities shall be subject to export control because of inflationary impact or short supply of such commodity in the absence of any such export control.

Mr. Speaker, these export controls are not to be exercised with regard to any agricultural products without the approval of the Secretary of Agriculture. The Committee on Banking and Currency has ratified the criteria for imposing export controls. The administration of the export controls may be imposed to the extent necessary to protect the domestic economy from the excessive drain of scarce material, where they may be imposed to reduce the serious inflationary impact as a result of foreign demand.

In addition, the bill provides for the publication of U.S. export data being collected by the Department of Commerce.

Section 2 of the bill deals with the matter of logs and lumber. This section would limit the export of softwood lumber in 1973 and 1974, reserving more of these products for domestic use, unless the Secretary of Agriculture certifies that for the same calendar years at least 11.8 billion board feet of softwood timber would be reserved for sale from the national forests.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, as the Members may be aware, this bill has been on the calendar on several previous occasions, and happily each time it has been taken off. On each occasion there were a number of us who made an earnest plea to the leadership that this was a thoroughly bad piece of legislation, working against the trade interests of

the United States, not just the agriculture sector, but the broad trade interests of the United States, against the need for our Nation to earn foreign exchange, and that it, therefore, should go no further than it has already.

My purpose in asking for 5 minutes under the rule is to recommend that the House reject the rule itself and give no further consideration to this bill.

Now, it may be that the majority will rule otherwise, but I sense a broad degree of opposition concerning this bill from some people who do believe in a measure of export control. They recognize that the President already has a broad realm of flexibility in imposing controls on exports. He demonstrated this fact when he imposed restrictions on the export of soybean meal and cottonseed meal and other items earlier this year.

In my view, this was a serious blunder on the part of the administration that caused consternation among nations where we have developed markets after long effort, painstaking effort, and these nations now wonder if we are a reliable supplier of products, if we are going to be a reliable performer of contracts entered into in good faith.

Mr. Speaker, it is asserted in the committee report that under the present law the Secretary of Commerce must wait until there is an actual scarcity of an agricultural commodity before he can impose export controls, and that this is too restrictive. The committee bill actually goes overboard in meeting this point. The bill before the House will permit the Secretary to impose controls on exports even if the factor of scarcity is nowhere in the picture and even if the demand for the agricultural product is not the major cause of increases in the price of the commodity.

In other words, the bill before the House takes us from a situation of reasonable congressional standards, for executive action to one in which for all practical purposes there are no congressional standards whatever.

Mr. FINDLEY. I yield to the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Thank you very much.

I thoroughly concur with the statement that the gentleman from Illinois made. I think this is a very bad bill, and I would be very hopeful that the rule will be defeated.

Mr. FINDLEY. I am glad to yield to the gentleman from Illinois.

Mr. CRANE. I thank my good friend and neighbor on my side of the aisle from my fair State of Illinois, a major agricultural State, for his statement. I think he is right and entirely correct in his assessment of this bill. I go along with his proposal wholeheartedly to defeat the rule and only add one thing.

I think when one turns to controls in an economy there is increasing pressure to go along with those necessary conditions which create what the economists class as economic self-sufficiency, and that is clearly not in the interests of the Nation or our State.

I applaud the gentleman for his perspicacity in pointing this out to this body.

I thank the gentleman for yielding. Mr. FINDLEY. I thank the gentleman. During the August recess in talking with business people, including farmers in Illinois, I found astonishment at every point in reaction to the administration's action earlier this year in imposing export controls and found further astonishment and indeed wonderment when they learned from me that Congress was seriously considering a bill to extend even greater authority to the President to impose export controls.

Therefore I urge my colleagues to join me in voting no on the rule.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I thank the gentleman from Missouri for yielding me this time.

I apologize to the House for having to take up time, but I am really trying to save time here. Like Mr. FINDLEY, I am going to ask you to defeat the rule so that we can save a little time by not fighting the bill the rest of the day.

Let me tell you why a fellow from Florida who has very few farmers in his constituency and has mostly consumers in his district is trying to shoot down Santa Claus, as it appears, and would oppose this bill, because if you can understand the reasons why I am opposed to it, you will be opposed to it, also.

First of all, this expands the discretion that the Secretary of Commerce would have in increasing export controls. As you will recall, this bill was spawned when somebody drowned a few dozen chickens in Texas and said that they have to have export controls so that they can have more chickens. Well, that was a phony exhibit and did not do anything to produce any more meat or fiber for any of us.

As all of us know, prices have gone up, anyway. In fact, if you take a good, hard look at what happened after we instituted the export controls, you will see what happened is the value of the dollar slipped more than ever. It opened up our markets wider and made things even worse. All we did was make a bad situation worse when we put on the export controls.

In addition to that, we killed off the few reliable customers we had around the world for our supplies. They are now proclaiming publicly that they are not going to support us in trade negotiations and will have to oppose us because we have proved ourselves to be unreliable by cutting off their food and fiber at a time when they most badly needed it. For 20 years we have been trying to get them to buy food and fiber from us. Now that we have finally gotten them to do it we arbitrarily cut them off. So we will have to make amends for that and pay that price and penalty.

What happens when you institute export controls? I think all of us remember what happened in the oil import control program. They developed a system of licensing imports in which they gave out tickets, and the fellow who made the best campaign contribution got the most tickets. That is exactly what can happen under this particular proposal. If you

begin to put on licensing for export controls, then you will have to give out tickets to the people so that they can export. This bill provides no standard by which they will be given out and what exporters in this country would get them and what kinds and classes of countries around the world might get them or whether they would be Arab or Jewish or lesser developed or affluent countries or countries that have been good customers of ours or anything else.

Our export control laws do not expire until about a year from now. I would hope we would kill this rule and send it back to the Committee on Banking and Currency and tell them to come in with some new export control thinking, and to put some standards in there so that we can put a little restraint upon the Secretary of Commerce, the Secretary of Agriculture, and the President, as to how they administer this law.

Yes, we have had this law for some 20 years, but we have never used it except in the last few years. I think the havoc we have created in the time that we have used it ought to make us prudent about further use of the program without some further refinements by Congress.

I assure you that I say there is nothing wrong with the rule the gentleman from Missouri (Mr. BOLLING) presents here, I merely ask the Members to kill the rule so that we can save time here at this late hour of the afternoon.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I am very much opposed to this rule, and I want to bring out a few points.

Only 1½ years ago we had a big surplus of grain in this country, and those products were selling at bankrupt prices. We begged people to take those exports. We told Japan not to go elsewhere and set up soybean production, but to depend on us. We said, "Do not listen to the French. They are telling the other people in the European community that they cannot depend on the United States." We said, "Do not listen to the French, you can depend on us." This would be additional evidence used by the French to restrict our sales to the EEC.

The hearings on this bill concluded on May 16, four weeks before the President made his speech and changed 180 degrees, and in the hearings the administration testified against the bill.

What has happened since they put export controls in? Now, Secretary Butz and others are admitting it was a mistake, and a colossal mistake.

They already have enough authority to impose controls. They have already used the authority. They say they have enough authority to put it on wheat and other things if they want to, but that it take, and a colossal mistake.

Now here we are a year and a half after we had the big surplus, and they say that we need more food, and I agree.

There has been a big increase in demand. There was an increase in take-home pay. An increase in food stamps. Decisions to eat better. Devaluation of the dollar and low prices of 1971 discour-

aged increases in production. We had several increases that were unexpected in demand, and so we need more supply. What happens when we need more supplies? Usually Government encourages the producers. In the case of oil, when there is a shortage of oil, the Government has said we must give an incentive for more gas production and oil production, that to do so they need more money, but in the case of farm production they say we should hold those guys right down here where they have been in the cellar for 20 years.

That will not work, and it has not worked. Last spring, there was talk of a boycott, in April. In May, there was a rollback proposed and that was followed by a ceiling on prices. The rollback bill was here on the floor in May. And that is what puzzled producers until they did not know what to think. They canceled plans to increase production.

Then we came along with ceiling prices, and that really did it. Production of cattle went down, sows were sold, and we ended up with less pork production. Poultry production was reduced substantially. There were photos of the little chickens being killed, that was nothing compared to the eggs that were dumped out of the incubators. We cannot secure increased production that way. Discouraging production was the wrong thing to do.

Now, the same people are coming in here and telling us that the solution to the problem is export controls. They say that they want more authority than they have already used on export controls.

I say that it is time to quit listening to that kind of advice. Price controls, just as sure as I am standing here, have increased prices in the United States. When they first went off in January, some of the smarter merchandisers increased their prices more than they needed to in order to get ready for the next round, and the ones who did not do that got caught in the next round. Those who held the line were penalized. So they are now increasing their prices. So we have higher prices than we would have had without price controls.

Export controls are the wrong medicine at this time.

In addition to that, we are going right back to what was talked about in 1764. The British were going to force the Colonists and the Irish to sell low and buy high. They had a whole series of acts. Sell low and buy high. They did it with the same kind of gimmick we are talking about here. That is what brought on the Revolutionary War.

The farmers of the 1970's are going to be no more satisfied with this kind of approach than were the Colonists of the 1770's. It is wrong; it is un-American. Congress is now talking about the Bicentennial in about 3 years and at the same time talking about our Government going back and doing the same thing that the mother country did to the Colonists and the Irish in 1764 in the tax acts. It is basically wrong; it is not good for the economy; it is the wrong thing to do at this time if we want to increase supply. It will discour-

age greater production and therefore is against the interest of consumers.

On top of that, it is basically un-American, and I urge defeat of the bill.

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

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

Mr. FOLEY. Mr. Speaker, I want to compliment the gentleman on his remarks. I join him in opposing this rule. I think this bill is unwieldy, unwise, and dangerous, and should be defeated now on the rule in order to save the time of the House in further consideration.

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

Mr. SMITH of Iowa. I yield to the gentleman from South Dakota.

Mr. DENHOLM. I commend and compliment the gentleman for an excellent statement. It is right. I concur therein.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Speaker, we have heard some very florid statements about this bill. What we are discussing is on page 2 of the bill. The major amendment made is on line 3. There are 2 amendments. In the first amendment, the major amendment, we changed the word "and," and substituted "or." The second amendment was an amendment to repeal an amendment that was passed by this House 2 years ago that for the most part exempted agricultural products from any type of export control—logs, hides, all agricultural products unless the Secretary of Agriculture certified that there was a specific domestic shortage. Those are the two amendments made in the bill we have been discussing so far.

For the President to impose export controls under the laws as exist now, he has to find, first, that there is a domestic inflationary impact, and, second, that there is a short supply of material and commodity in this country. In changing "and" to "or" we allow the President to find either one of two findings instead of both findings. He could find that there was either domestic inflationary impact or short supply, and that is all the major amendment does.

Let me tell the Members, that like most of you, I just got back from 1 month in my district, and I saw what happened to food prices. Their effect on my constituents. I know what my housewives think about the price of feed grains and what feed grains prices have done to the price of chicken, beef, pork, and everything else. I know what my housewives are thinking about the price of wheat and everything that is made of wheat. They do not like skyrocketing farm prices.

On the 16th of this month we go into phase IV of this economic program we have. The Members are going to find that their housewives are going to be writing them letters again saying, "How come agricultural products are going up again?"—not just 10 percent a year, but maybe 10 percent a month—and that is what they are going to be asking the Members.

If we vote to kill this rule and if we vote to put a restriction in this bill that severely restricts the President's power to restrict the import of agricultural prod-

ucts, we are telling our housewives that prices are going to go wherever the export demand is going to pull those prices, and the President will have little power, to try to balance domestic needs with the necessity of this country to keep a farm export market. I think the major problem we have so far this year is that there has been, perhaps, an overreaction from the administration in applying export controls.

Instead of trying to settle on and define what a rational export market is and what we need to export to keep a firm balance of payments going, and instead of trying to project our domestic market and our domestic demand so that we can try to get a rational price that has some connection with the cost of producing our goods, I think the tendency has been to overreact as in the case of the embargo on soybeans, or the complex licensing of steel scrap exports. But the administration does not necessarily have to continue this policy and I doubt it will in the future, because this is the first time the administration has dealt with this act and I hope they have learned by their experience.

I think we have to have this balance between the need to export and the need to satisfy our domestic market. With restricted controls, by killing this rule so as to knock out the ability to put restrictions on exports, I know we are going to be in trouble because the food prices will continue to go up, and it will be the foreign demand that pulls the price up. It will not be the domestic demand and the cost to the U.S. consumer will not be related to the cost to the farmer to produce those goods.

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

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

Mr. HANNA. Mr. Speaker, is the gentleman trying to say he agrees with the gentleman from Illinois (Mr. FINDLEY) and some others who have said that there has been a shortage created by the very poor planning that we have in fact, and we admit, those of us who are for this bill, that there has been a very bad reaction in terms of our marketing? Really the question is who is going to have the burden of the shortage, whether that is going to be completely upon the consumer or whether we are going to get some kind of mechanism where we can split the burden.

Mr. REES. I appreciate what the gentleman is saying.

On page 5 of the bill we try to anticipate the shortages and keep a balance of domestic and export needs so that the housewife can still buy food.

We have to have this bill for responsible export controls.

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

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

Mr. MILFORD. Mr. Speaker, I associate myself with the remarks of the gentleman from California (Mr. REES).

Mr. Speaker, some of the arguments that have been offered simply do not make sense. As a matter of fact, the arguments offered are not even germane to this bill.

H.R. 8547 has absolutely nothing in

common with conditions present during our revolution. Matters covered in H.R. 8547 have nothing to do with foreigners selecting or rejecting U.S. agricultural products.

Let us get down to some basic facts. Any country, anywhere in the world, is going to buy their food and fiber from whatever nation will sell at the lowest price.

Japan, or any other nation, is not going to buy soybeans from the United States if they are able to get them at a lower cost from another nation.

We surely learned this lesson during the past 35 years through our expenditure of many billions of tax dollars in crop support subsidies. In the past we have had to artificially lower export prices, through subsidies, in order to move surplus food and fiber overseas.

Two very important facts have developed during the past 2 years that make this bill very necessary: First, our dollar has been devalued—compared to other currencies—thereby making American food and fiber cheaper for other nations; and second, world demands for food and fiber are increasing beyond the ability to fulfill that demand.

My concern is for the United States. We must look out for our own interest—first. Bread on the American table must be our top priority, and a house for Americans must come before we sell lumber overseas.

H.R. 8547 addresses itself to these basic needs. I strongly urge each of you to vote for this bill.

H.R. 8547 is not an attack on the farmer, as some would have you believe. This bill does not prohibit imports. It simply says, "Sell America first; satisfy this Nation's needs first; then sell your surplus to the world."

I know that the big farm lobbies are fighting this bill. They plead and cry that the poor old farmer is finally beginning to make a living.

Well, my colleagues, I think we should take a close look at the "poor" old farmer. Every food and fiber crop has, at least, doubled in price during the past year. Many have tripled and quadrupled. Furthermore, the "poor old farmer" already has a Government guarantee of survival through the generous agriculture support program.

I think it is time that we paid some attention to the "poor old housewife." Taxpayers have been supporting the farmer since the 1930's. The housewife along with other taxpayers has paid crop supports. Now, the "poor old farmer" wants to say thanks by sending his food and fiber to the highest bidder without regard to whether or not Americans are fed in the meantime.

I would now like to refer my farm-oriented friends to the CONGRESSIONAL RECORD and ask them to read their own speeches that they made when the farm bill was on the floor.

Each of you, without exception, came forward with the argument that crop subsidies were absolutely necessary in order that Americans would have sufficient food and fiber at a cost they could afford.

Now, my country friends, the shoe is on the other foot. We have sufficient food for Americans and some extra to sell overseas. All I want to do and all H.R.

8547 will do is insure that America is fed first.

The taxpayers of this Nation are calling their chit and do hereby demand that farm interests play at least as fair with them as they have played with you in the past.

Mr. LATTA. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I am somewhat at a loss to find some of our friends who supported the so-called strategic reserve idea, when we had tremendous surpluses of agricultural products on hand, now opposing this type of legislation. I cannot quite figure out the logic of saying that we should not give the administration the authority to restrict these imports when the surpluses have been depleted. The same individuals, I say Mr. Speaker, were advocating a strategic reserve when we were running over with surpluses of agricultural commodities.

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

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

Mr. SMITH of Iowa. Mr. Speaker, a reserve approach is precisely the right thing. We should have taken some of the surpluses and set them aside so we would have a supply now. We cannot create supply by putting on export control. It does not add 1 bushel of supplies. All it does is say that one certain group in the world will sell at a lesser price than the value of the product in another part of the world. It upsets the whole equilibrium of our distribution system. That is the reason we should have created the reserves for use now instead of coming along now and trying to create supplies with export controls.

Mr. LATTA. I thank the gentleman for his comment but his logic escapes me.

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

Mr. LATTA. I yield to the gentleman from Illinois, and I must say he was not one who supported the strategic reserves and he is now opposed to this bill.

Mr. FINDLEY. The gentleman is correct. I would hate to see us diverted on that point. The question before the House is whether more authority to control exports should be given the President.

He already has perhaps far too much authority today, and if this rule is defeated, he will still have the same authority he used earlier this year to impose unwise restraints on the export of soybean meal and other products.

Mr. LATTA. Mr. Speaker, I would just like to reemphasize what this bill is all about.

On page 5, line 3, section 4c of the Export Administration Act of 1969 is amended by inserting "or to reduce the serious inflationary impact of abnormal foreign demand" immediately after "scarce materials."

That is what we have been talking about. We are not talking about normal foreign demands. I believe everybody who is faintly familiar with the soybean situation realizes that we had an abnormal foreign demand.

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

Mr. LATTA. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I am for the farmer getting every nickel, every penny he possibly can get for his crops, whether soybean, corn, whatever it is. I am for it, but I am also for the American consumer ahead of any foreign consumer.

That is all that is involved here, whether or not we are going to take care of Americans first with the scarce commodities. I think we should. I think the American people think we should.

If we are going to run scared on this issue, I think we had better go home.

I have heard from many farmers back home who are paying astronomical prices for soybean meal to produce the meat that goes on our tables. They do not want to pay it, but that is what is embodied here when we have the abnormal situation we have had. I think we ought to face realities here. This bill is worthy of consideration by this House and should not be defeated on the rule. It is too important.

A few months back, we had resolutions presented before the Committee on Rules on the export of logs. The price of plywood had gone sky high because of the abnormal foreign demand. I see here in this legislation, if it is passed, that we are going to have controls on that. The American consumer should be protected first.

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

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

Mr. GROSS. Mr. Speaker, if I could be convinced that the President did not already have authority to invoke export controls, I would vote for this rule. No one has convinced me that he does not already have, as evidenced by his past action, that authority.

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

Mr. LATTA. Mr. Speaker, I yield myself an additional 2 minutes.

Mr. Speaker, I say to my friend from Iowa that we have not even discussed the bill. We have not considered the bill. Let us consider the rule first, pass the rule and let the committee which has this bill under consideration present the facts. This is too important a piece of legislation to defeat on the rule.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Speaker, in response to the comment made by the gentleman from Illinois, and I hope in answer to the statement made by the gentleman from Iowa, let me make one or two observations.

The administration for the last month or two has prevented the export of soybean and related products under the existing Export Administration Act. Under that act, there are three tough criteria, all of which must be met before the administration can act to limit exports. They did take the action in reference to soybeans.

I am informed that there have been a number of lawsuits initiated challenging the right of the administration to impose a limitation on such exports.

I am told further by Members I believe are well informed that the courts traditionally have been very tough and have

been very restrictive in the interpretation of the authority under existing law. As a result, administrations in the past, and perhaps this one in this case, may not be successful in limiting exports on certain commodities.

The reason why the administration has asked for the present legislation is that they do not want to initiate a limited export control program and find that they do not have sufficient authority under existing law. Therefore, they want greater flexibility and more certain legal authority.

I believe it is a reasonable request. If this legislation is not approved the courts might preclude the executive branch from putting on export limitations.

I believe it is a far wiser procedure to debate the pros and cons of the legislation so that the Committee on Banking and Currency, which voted 24 to 4 in a bipartisan way, can explain why they recommended this legislation under these circumstances. Therefore, I support the rule.

Let me go to another aspect of the problem. I was home for most of the August recess. I thoroughly canvassed my district. I listened to approximately 500 people individually in my office. The overwhelming questions that were raised related to inflation. Most of them related to the increased cost of food to the consumer.

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

Mr. LATTA. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. GERALD R. FORD. Mr. Speaker, the President said, in his message dated June 13, that he only wanted this export control and would only use it if he had to make a hard decision between the American consumer on the one hand and the foreign consumer on the other.

I believe it is politically wise to give at least the House the opportunity to discuss the legislation. Furthermore, I believe it is politically wise to let the House make a decision on whether we want to approve the legislation.

If we preclude discussion, and if we defeat the bill, there will be many political questions raised in the next campaign. We all know that consumers in this country have a higher priority than consumers in other countries.

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

Mr. GERALD R. FORD. I am glad to yield to the gentleman from California.

Mr. HANNA. I approve of the gentleman's statement, and I commend him for making it.

I would point out that if Members will look at the report of the committee, on page 10, they will see the crux of the thing lies in the language that is stricken in section (e) and the language that would be put in its place, because this is what the gentleman is talking about, where the President now is in a strait-jacket and has to overreact, if he has to wait for the full crisis, whereas under the new language it would give more flexibility and would allow for some planning and some action that would be short of the kind of disaster action that has been taken in the past. Is that not correct?

Mr. GERALD R. FORD. Let me make one further comment. I will quote from the President's message of June 13, which puts it pretty bluntly:

I have made this basic decision. In allocating the products of American farms between markets abroad and those in the United States we must put the American consumer first.

He goes on to say further in the message:

But we will not let foreign sales price meat and eggs off the American table.

I believe it makes sense to let the House discuss the issue, and I furthermore believe it makes sense to pass the bill.

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

Mr. GERALD R. FORD. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I appreciate the minority leader yielding. The gentleman has referred to high food cost, as our friend from California and one or two other speakers have. The thing which is overlooked is that it has not been 2 years ago the farmers were selling soybeans for \$2.40 a bushel.

This is a dollar a bushel less than they were getting 25 years ago, and—

Mr. GERALD R. FORD. But let me say that the price of soybeans a few weeks ago increased to \$11 or \$12.

Mr. BURLISON of Missouri. Mr. Speaker, I would appreciate it if the gentleman would let me complete my sentence.

Now, after 25 years, when the farmers are finally getting a fair return on their investment, we find the President placing an embargo on soybeans, thus discriminating against a large segment of the farm economy. The rule should be voted down.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, in addition to the reasons given by the gentleman from Iowa concerning the unrealistic reporting requirements in this bill I believe there is another reason for opposing this rule.

This bill provides that there will be no exports of softwood timber unless the Secretary of Agriculture certifies that there will be cut at least 11.8 billion board feet of timber in the national forests per year. That may sound good, but what it really does is to give the big timber producers a nice little lever to go to the Federal Government and persuade them to increase the cut in our national forests, in violation of the multiple use concept—and without doing anything to eliminate the backlog in reforestation.

Mr. Speaker, I urge that the Members follow the advice of the gentleman from Iowa, and vote down this rule.

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

Mr. OBEY. Surely.

Mr. ASHLEY. Mr. Speaker, if that is the justification for the position taken by the gentleman, I hope that he will reconsider it, because it should be very clear that there will be an amendment offered by the gentleman from Ohio to strike the first part of section 10 which makes provision for this.

Mr. OBEY. Mr. Speaker, in that case I would suggest that we take it back to the committee and take it out of the bill in the first place.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I share the concern which has just been expressed by the gentleman from Wisconsin (Mr. OBEY) about the language on page 7, lines 7 through 12. This language seems to provide an open invitation to trigger the authorization to cut and offer for sale from national forests "not less than 11,800 million board feet of softwood timber."

I would like to get some clarification from the gentleman from Ohio (Mr. ASHLEY) concerning this section, which seems to me to provide some tremendous upward pressure toward massive clear-cutting in national forests.

Mr. ASHLEY. Yes. I will say that in the section referred to by the gentleman, section 10, it is provided that there would be a limit placed on the exportation of logs unless the Forest Service increased the annual offer for sale to 11.8 billion board feet.

Mr. HECHLER of West Virginia. Mr. Speaker, do I understand the gentleman to say, though, that this entire section is going to be stricken in any case?

Mr. ASHLEY. The language on page 6 and the language on the first part of page 7, if I am not mistaken.

Mr. HECHLER of West Virginia. So there will be no reference in the bill to this item?

Mr. ASHLEY. No. If the gentleman from Wisconsin thinks that it is so easy to bring this about, I would say that circumstances in the last 60 to 90 days have changed rather substantially and drastically since this bill was reported by the Committee on Rules.

Mr. HECHLER of West Virginia. I would have grave reservations about this bill, or even the rule which authorizes taking up the bill, if this language remained. Yet there are so many other provisions of this bill which will serve to protect the consumers of this Nation that I shall support the rule. I respect the good faith of the gentleman from Ohio, Mr. ASHLEY, in his declared intention to remove the objectionable feature of the bill which would endanger our national forests.

Mr. LATTA. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Speaker, I have been quite surprised today to find those Members representing farm districts standing up and urging the defeat of the rule on H.R. 8547.

I can tell the Members that no group of people in this country has been more benefited by the Economic Stabilization Act enforcement than have been our farmers. Under phase II there was no ceiling on raw agricultural products; the same thing was true under phase III. Under phase III and one-half, prices only to the consumers were frozen, and the prices of raw agricultural products.

Therefore, the farmers, since the Eco-

nomic Stabilization Act went into effect, have been benefiting from this.

However, we have now reached a point where we must consider the people of this country in their entirety, including the farmers.

When we talk about exporting certain types of feed grains we are talking about higher prices to our farmers. Higher prices, of course, will be reflected in the wage increases gained to the Steelworkers, the United Auto Workers, and other workers, in the immediate months to come. Therefore prices to everybody throughout this country will go up.

So, if you are against inflation, you are going to vote for the rule and then vote for some sensible amendments to this bill.

As the gentleman from Ohio (Mr. LATTA) so ably pointed out, one of the main thrusts of this bill is to reduce the serious inflationary impact of abnormal foreign demands. I am quite certain every Member of this House has some question in his mind concerning the recent wheat deal with Russia. The price per bushel of wheat in this country was about \$2 at that time. We sold the wheat to Russia at about \$1.63 per bushel. The difference between those two figures was subsidized by the American taxpayer.

The number of tons sold also threw out of balance the wheat market in the United States, and we do not want that to happen again. The way you are going to prevent it is by passing this bill.

Now, also, relative to lumber, there is a figure mentioned of the number of board feet that can be taken out of our national forests. However, the figure mentioned must be available before we can export billions of board feet of timber to foreign countries. What we are doing is making certain we have enough lumber to use at home before we export it.

For your information, we are already down to an all-time low in new housing starts even though conditions have changed in the last few months but they have changed so little that any change to the contrary will simply continue to hold down new housing starts which are so sorely needed by the people of this country both in our urban and rural areas.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the gentleman from California (Mr. REES) and the distinguished minority leader (Mr. GERALD R. FORD) made what I think are the critical points in support of the rule.

The gentleman from California correctly points out that the committee's bill suggests only a very modest change which will give the Secretary of Commerce a little more latitude and a little more flexibility in administering the Export Administration Act. What it really gives him is a chance to prevent inflation rather than to cure it after it has actually happened.

The minority leader pointed out quite clearly that the administration, in asking for this additional power, is taking the side of the American consumer against the foreign consumer.

If he was not blunt enough, I would

like to suggest right now to some of my friends in this body that they will accept for themselves some of the responsibility for inflation or high prices which are to follow if, in fact, they deny this small additional power to the administration and to the President. I doubt that many Members will want to accept that responsibility.

I think this bill deserves to be heard, and I urge that Members who give their own consumers first priority vote for this rule.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, already we have heard three members of the Committee on Banking and Currency say that they are ready, willing, and waiting to offer amendments to this bill which will apparently change it quite radically.

I am beginning to wonder in light of what has happened this week in the House of Representatives to legislation coming out of the Committee on Banking and Currency whether a resolution calling for the observance of Mother's Day, if brought out by this committee could pass the House without a shower of amendments.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Speaker, to say that this resolution should be voted down is obviously to say a matter of very great national significance should not even be considered on the merits, and I seriously question if that is the position and the posture that we individually or collectively want to take.

It should be quite clear to all of us that there is a cabal in sincere opposition to sections of the bill, H.R. 8547, before us. We all received a "dear colleague" letter over the signature of the gentleman from Illinois and the gentleman from Florida.

This was their justification for urging us to vote against the rule; they said, *inter alia*:

The primary justification offered for the additional power granted by this bill is to control the export of agricultural products. Yet, Secretary of Agriculture Earl Butz has stated that export controls are not now needed for agricultural products. Why then enact this bill?

First, this is not the position of Secretary of Agriculture Butz. And I have evidence to that effect which I will present in general debate. But, secondly, as the distinguished minority leader has suggested, the answer as to why now to adopt this bill is found in the language of the President of the United States—and let me say, parenthetically, as one who does support what the majority leader said the day before yesterday when he said that there should be cooperation with the President, and that cooperation includes the majority side of this body—the President had this to say:

One of the major reasons for the rise in food prices at home is that there is now an unprecedented demand abroad for the products of America's farms. Over the long run, increased food exports will be a vital factor in raising farm income, in improving our balance of payments, in supporting America's

position of leadership in the world. In the short term, however, when we have shortages and sharply rising prices of food here at home, I have made this basic decision: In allocating the products of America's farms between markets abroad and those in the United States, we must put the American consumer first.

Is there anybody who wants to argue with that proposition?

There is a second suggestion made by the authors of this "dear colleague" letter when they say:

Since the Export Administration Act does not expire until next June 30, we have plenty of time to rethink this whole area.

Let me just refer them to the statement of the Secretary of Commerce when he said—and this perhaps will go to the question asked by the gentleman from Iowa:

The administration has requested broader authority in the Export Administration Act so as to permit the President to impose export controls in order to curtail serious inflation in domestic prices. Even though the President's authority as contained in the existing Export Administration Act is severely limited, the present situation in soybeans and cottonseeds is such that the tests of the Act are met. However, because of the limitations in the present Act, the President may not be able in the future to impose controls to curtail serious domestic inflation. The action today underlines the urgency of the Administration's request for new authority.

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

Mr. ASHLEY. I will not yield at this time.

Mr. Speaker, let me conclude by saying that there is no question about the fact that we have multiple purposes as a nation. Most certainly we support free trade. Most certainly it is in the interest of this Nation to stabilize domestic prices.

The SPEAKER. The time of the gentleman has expired.

Mr. ASHLEY. May I have 1 additional minute?

Mr. BOLLING. I yield to the gentleman from Ohio 1 additional minute.

Mr. ASHLEY. Mr. Speaker, it should be emphasized that this administration has been most reluctant because of the adverse balance of payments and trade to impose any kind of export constraint. I agree that they arrived at this decision late. I applaud the fact that they had the courage to reach the decision when they did, however late, and to make it stick.

I should most urgently hope and urge this body to vote in favor of the rule.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 484.

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

There was no objection.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 304, nays 84, not voting 46, as follows:

[Roll No. 439]

YEAS—304		
Abzug	Eshleman	McCormack
Adams	Evans, Colo.	McDade
Addabbo	Evins, Tenn.	McFall
Anderson,	Fascell	McKay
Calif.	Fish	McKinney
Anderson, Ill.	Flood	Macdonald
Andrews, N.C.	Flowers	Madden
Annunzio	Ford, Gerald R.	Madigan
Archer	Forsythe	Mailiard
Arends	Fountain	Mallary
Ashley	Frelinghuysen	Mann
Aspin	Frenzel	Maraziti
Badillo	Frey	Martin, Nebr.
Bafalis	Froehlich	Martin, N.C.
Barrett	Fulton	Mathias, Calif.
Bennett	Gaydos	Matsunaga
Bergland	Gettys	Mazzoli
Bevill	Gialmo	Meeds
Biagi	Gilman	Metcalfe
Blester	Goldwater	Michel
Bingham	Gonzalez	Milford
Boland	Goodling	Miller
Bolling	Grasso	Minish
Brademas	Gray	Mink
Brasco	Green, Pa.	Minshall, Ohio
Bray	Grover	Mitchell, Md.
Brinkley	Gubser	Mitchell, N.Y.
Brooks	Gude	Mizell
Broomfield	Gunter	Moakley
Brotzman	Guyer	Mollohan
Brown, Mich.	Hamilton	Montgomery
Bryohill, Va.	Hammer-	Moorhead, Pa.
Buchanan	schmidt	Morgan
Burke, Calif.	Hanley	Mosher
Burke, Mass.	Hanna	Moss
Burton	Hansen, Wash.	Murphy, Ill.
Butler	Harrington	Murphy, N.Y.
Byron	Harsha	Myers
Carey, N.Y.	Harvey	Natcher
Carney, Ohio	Hastings	Nedzi
Carter	Hechler, W. Va.	Nichols
Casey, Tex.	Heckler, Mass.	Nix
Cederberg	Heinz	O'Brien
Chamberlain	Helstoski	O'Hara
Chappell	Henderson	O'Neill
Chisholm	Hicks	Owens
Clark	Hillis	Patman
Clausen,	Hinshaw	Patten
Don H.	Hogan	Pepper
Clay	Holtzman	Perkins
Cleveland	Horton	Pettis
Cochran	Hosmer	Peyser
Cohen	Huber	Pike
Collier	Hudnut	Podell
Collins, Ill.	Hungate	Powell, Ohio
Conable	Ichord	Preyer
Conlan	Jarman	Price, Ill.
Conte	Johnson, Calif.	Pritchard
Cotter	Johnson, Pa.	Railback
Coughlin	Jones, Ala.	Randall
Cronin	Jones, N.C.	Rangel
Daniels,	Karth	Rees
Dominick V.	Kastenmeier	Regula
Danielson	Kazen	Reuss
Davis, Wis.	Keating	Rhodes
Dellenback	Kemp	Riegle
Dellums	King	Rinaldo
Dent	Kluczynski	Robison, N.Y.
Derwinski	Koch	Roe
Donohue	Kyros	Rogers
Dorn	Landgrebe	Roncallo, N.Y.
Drinan	Landrum	Rooney, Pa.
Dulski	Latta	Rosenthal
Duncan	Leggett	Rostenkowski
du Pont	Lehman	Roush
Eckhardt	Lent	Roy
Edwards, Ala.	Litton	Royal
Edwards, Calif.	Lott	Ruppe
Ellberg	Lujan	Ruth
Erlenborn	McClory	St Germain
Esch	McCloskey	Sandman
	McCollister	Sarasin

Sarbanes	Symington	Wiggins
Saylor	Talcott	Williams
Schneebeli	Taylor, N.C.	Wilson, Bob
Schroeder	Thompson, N.J.	Wilson, Charles H.
Seiberling	Thomson, Wis.	Calif.
Shriver	Thornton	Wilson, Charles, Tex.
Shuster	Tierman	
Skubitz	Towell, Nev.	
Slack	Treen	Winn
Smith, N.Y.	Udall	Wolff
Snyder	Van Deerin	Wright
Staggers	Vander Jagt	Wyatt
Stanton,	Vanik	Wydler
J. William	Vigorito	Wylie
Steele	Waggoner	Wyman
Steelman	Walsh	Yates
Steiger, Wis.	Wampler	Yatron
Stephens	Ware	Young, Alaska
Stokes	Whalen	Young, Fla.
Stuckey	White	Young, Ga.
Studds	Whitehurst	Young, Ill.
Sullivan	Widnall	Zablocki

NAYS—84

Abdnor	Foley	Price, Tex.
Andrews,	Fraser	Quie
N. Dak.	Gibbons	Rarick
Armstrong	Ginn	Roberts
Ashbrook	Green, Oreg.	Robinson, Va.
Baker	Griffiths	Roncalio, Wyo.
Bauman	Gross	Rose
Beard	Haley	Rousselot
Bowen	Hansen, Idaho	Ryan
Breaux	Hébert	Satterfield
Brown, Calif.	Holt	Sebelius
Brown, Ohio	Hunt	Shoup
Burgener	Hutchinson	Sikes
Burke, Fla.	Johnson, Colo.	Smith, Iowa
Burleson, Tex.	Jordan	Spence
Burlison, Mo.	Ketchum	Steed
Camp	Long, La.	Steiger, Ariz.
Crane	Long, Md.	Stratton
Culver	Mahon	Symms
Daniel, Dan	Mayne	Teague, Calif.
Daniel, Robert	Melcher	Teague, Tex.
W., Jr.	Mezvinsky	Thone
de la Garza	Moorhead,	Ullman
Denholm	Calif.	Veysey
Dennis	Nelsen	Whitten
Devine	Obey	Young, S.C.
Dickinson	Parris	Young, Tex.
Findley	Pickle	Zion
Fisher	Poage	Zwach

NOT VOTING—46

Alexander	Dingell	Mills, Ark.
Bell	Flynt	Passman
Blackburn	Ford,	Quillen
Blatnik	William D.	Reid
Boggs	Fuqua	Rodino
Breckinridge	Hanrahan	Rooney, N.Y.
Broyhill, N.C.	Hawkins	Runnels
Clancy	Hays	Scherle
Clawson, Del	Holtfield	Shipley
Collins, Tex.	Howard	Sisk
Conyers	Jones, Okla.	Stanton,
Corman	Jones, Tenn.	James V.
Davis, Ga.	Kuykendall	Stark
Davis, S.C.	McEwen	Stubblefield
Delaney	McSpadden	Taylor, Mo.
Diggs	Mathis, Ga.	Walde

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hays with Mr. Bell.
Mr. Rooney of New York with Mr. Runnels.
Mr. Hollifield with Mr. Clancy.
Mr. Breckinridge with Mr. Blackburn.
Mr. Walde with Mr. Diggs.
Mr. Blatnik with Mr. Flynt.
Mr. Rodino with Mr. Hawkins.
Mr. Corman with Mr. Del Clawson.
Mr. Davis of South Carolina with Mr. Kuykendall.

Mr. Delaney with Mr. Conyers.

Mr. Fuqua with Mr. Broyhill of North Carolina.

Mr. Shipley with Mr. McEwen.
Mr. Sisk with Mr. Collins of Texas.
Mr. Alexander with Mr. Quillen.
Mr. Stark with Mr. Davis of Georgia.
Mr. Stubblefield with Mr. Scherle.
Mr. Jones of Tennessee with Mr. Taylor of Missouri.

Mr. Dingell with Mr. William D. Ford.
Mrs. Boggs with Mr. Jones of Oklahoma.
Mr. Howard with Mr. Hanrahan.
Mr. Reid with Mr. Mathis of Georgia.
Mr. Passman with Mr. McSpadden.

Mr. James V. Stanton with Mr. Mills of Arkansas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8547) to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand.

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. 8547, with Mr. GAIMO in the chair.

The clerk read the title of the bill.

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

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

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, H.R. 8547, if enacted, will help protect the domestic economy from the excessive drain of scarce materials and commodities, and reduce the serious inflationary impact of abnormal foreign demand. Over the past several months, there has been enormous evidence that homebuyers and consumers generally and such diverse segments of the economy as livestock feeders and steel producers have been paying an extraordinary price for unstable market conditions in such important industries as lumber, steel and the grain trade.

The Department of Commerce in its quarterly report on export controls, as recently as the fourth quarter of 1972, gave no evidence that it had even been monitoring the sales of a number of materials and conditions currently or prospectively in short supply. Thus, there arose a need to give the administration a clear indication that national policy with respect to export controls be much more effectively implemented.

The ineffective implementation of export controls was dramatically brought to the fore last year following the extraordinarily large wheat purchases on the part of the Soviets. They had to remind us that other governments, such as those of Canada and Australia follow procedures which enable them, their exporters, and the producers in those countries to know precisely the kind and amount of grain being purchased by foreign buyers at any given time. In contrast, the Soviet grain buyers had been able to come here and approach our private grain exporting companies individually to make deals without sufficient information being made available to both the domestic processors and users of essential food stuffs. In recent months, the price of soybeans and products therefrom have also sharply increased at the same time that exports have soared. The result has been that domestic prices have increased sharply for products which constitute some of life's very essentials.

While the administration continued to study the situation with respect to the price and supply and export trade for logs and lumber, in a matter of months the price of lumber components of an average home increased some \$1,200. While we recorded a trade surplus of some \$400 million for timber, the lumber cost for new home construction added more than a billion dollars to the cost of living.

In the face of these events the Subcommittee on International Trade of your Committee on Banking and Currency began consideration of legislation to deal with this situation in March, and continued to do so until it made recommendations to the Committee on Banking and Currency on June 5.

The administration, which had not supported efforts to modify the export control authority, dramatically shifted its position on June 13, when the President addressed the Nation and indicated views which reflected in principle the recommendations made to the Banking and Currency Committee. On June 19, the committee adopted and ordered reported the bill before you, which incorporates the language designed to meet the President's request for a modification in export control authority and which now has the support of the administration.

Mr. Chairman, this is a good bill. It was reported by your Committee on Banking and Currency by an overwhelming vote of 24 in favor and 4 against.

I want to commend Congressman ASHLEY, the chairman of the subcommittee, and the subcommittee members who worked hard and did good work in bringing this legislation to the full committee and the floor. I will ask Mr. ASHLEY to provide a detailed discussion of the provisions of the legislation before the committee and the justification therefor.

Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, there is no need to say that the bill before us today, which amends the Export Administration Act of 1969, is controversial in a number of respects.

In my view this is unavoidable. It is unavoidable because the Export Administration Act is based upon competing, if not conflicting, findings of fact and declarations of policy.

The first finding in the 1969 act states that—

The availability of certain materials at home and abroad varies so that the quantity and composition of U.S. exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

A subsequent finding points out that—
The unwarranted restriction of exports from the United States has a serious adverse effect on our balance of payments.

And this is followed by a finding that—

The uncertainty of policy toward certain categories of exports has curtailed the efforts of American business—to the detriment of the overall attempt to improve the trade balance of the United States.

The declarations of policy which follow reflect these same competing objectives. The first states that it is U.S. policy to "encourage trade with all countries with which we have diplomatic or trading relations—except where it has been determined by the President to be against the national interest," and this is followed by a statement that it is the policy of the United States to "use export controls to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand."

There is opposition to the bill before us because there are commercial interests in the country who profit from exports, which is entirely appropriate, and these interests take the view that any curtailment of exports is bad public policy.

Neither the Banking Committee nor the administration share this view.

All of us must be aware that since the latter half of 1972 there has developed a sharp rise in the price of a number of materials and commodities which has coincided with increased foreign demand for these same goods. Among these are wheat and feed grains, soft wood logs, ferris scrap, to name only the most outstanding.

In the face of this situation and until as recently as June 27, the Department of Commerce—which administers the Export Administration Act—declined to impose controls on any commodity, contending that existing circumstances did not warrant the exercise of this authority. In fact, despite the urging of domestic consumers for export constraints on such items as scrap, copper, hides, fertilizer, and logs, there is no evidence that the Departments of Commerce or Agriculture were even monitoring the impact of expanded exports in terms of domestic availability and escalating price levels in these commodities here at home.

This, then, was the situation that the Subcommittee on International Trade sought to address when it began hearings on March 20 and terminated on May 15. I might say that the recommendations of the subcommittee were incorporated in H.R. 8547 on June 8 and that this was adopted by the full committee without dissent.

Following the President's address on June 13, in which he called for new export control authority, the Committee on Banking and Currency adopted on June 19 an amendment to the Export Administration Act to clarify and assure Presidential authority to curtail exports. Let me again emphasize that the exercise of this authority is limited "to the extent necessary to protect the domestic economy from the excessive drain of scarce

materials or to reduce the serious inflationary impact of abnormal foreign demand."

This key amendment was adopted in committee by a vote of 30 to 2.

In its final form, as reported, section 1 of the bill would provide that the Secretary of Commerce shall make an investigation to determine which materials or commodities shall be subject to export controls as a result of the present or prospective inflationary impact or short supply of such materials or commodities and shall develop forecast indices of the domestic demand of such materials and commodities. With respect to agricultural commodities the imposition of export controls requires the concurrence of the Secretary of Agriculture. The section also provides for the publication of certain information on agricultural commodities I have already cited.

Section 2 would impose export controls on softwood logs and softwood lumber for calendar year 1973 and 1974, unless the Secretary of Agriculture shall certify that 11.8 billion board feet of softwood timber shall be offered for sale from the national forest during each of these years. The provision is designed to give impetus to improved programs in Federal forest management, in order that both domestic and export requirements can be more readily met. The section also provides that no unprocessed timber from Federal lands west of the 100th meridian shall be sold for export unless the President determines that an adequate supply of softwood logs and lumber exists for domestic use, at reasonable price levels.

The appropriate secretaries are required to promulgate rules to prevent substitution of that timber for non-Federal timber.

Finally, let me restate the intent of the committee that the United States should make full use of its resources in trade with other nations in order to achieve greater domestic employment and real income and to maintain the value of our currency.

The bill before you is one of moderation—one which seeks to strike a balance between our domestic supply and price requirements on the one hand, and the need to export to support the value of the dollar on the other.

Before concluding, let me acknowledge that the manner in which export controls were imposed in mid-summer on such commodities as soybeans has most certainly been clumsy and ill-adroit. It is anything but consistent policy to steadfastly deny for many months the existence of conditions that warrant export controls, and then suddenly to insist upon the immediate imposition of such controls.

I can only point out that the consultative procedures provided for in section 1, together with an appropriate system of reporting and licensing, would have greatly reduced, if not eliminated, the uncertainty that has seized the commodity market in recent days and resulted in confusion over contracts and other matters.

Finally, Mr. Chairman, let me suggest that a balance can be struck between

our domestic supply and price requirements on the one hand and the need to export in order to support the value of the dollar on the other. In a sense these are competing interests but they are also mutually supporting. National policy must be sufficiently flexible to permit temporary shifts in emphasis to reflect and be responsive to overall economic policy objectives.

On this basis, Mr. Chairman, I urge adoption of the bill before us.

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

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

Mr. YATES. The President was able to impose export controls on soybeans, as the gentleman pointed out, and on other commodities. If that be so, why is this bill necessary?

Mr. ASHLEY. It is necessary because the administration took the view until June of this year that it did not have sufficient authority under the Export Administration Act of 1969 to act to restrain exports. What it said was that the criteria contained in the act were simply too stringent to meet the economic circumstances which obtained in the latter part of last year and the fore-part of this year.

Let me say to the gentleman from Illinois that I disagreed and members of the subcommittee disagreed. We simply could not understand the administration's position that there was no relationship between these monumental exports and the escalating price levels here at home. This was the position of the administration until, I believe it was, June 13 at the time that the President announced that he would make use of the controls in the Export Administration Act.

What he really was saying was that as of that date the conditions which obtained in the country were such that they could trigger the authority contained in the Export Administration Act.

The CHAIRMAN. The time of the gentleman has expired.

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

At the same time, as the Secretary then very forcefully indicated, had there been more flexible authority in the law, the administration would have been able to act in a more judicious fashion than was possible to act after the President's June 13 statement.

To put it another way, the reason that the new authority is necessary is so that the kind of situation, critical as it was on June 13, does not have to be met. We would not have to await such conditions before authority under the act can be made use of.

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

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

Mr. YATES. I thought as I listened to the gentleman that he was making an argument that the existing law is adequate to take care of such situations, even though the administration thought that it did not have that authority.

The CHAIRMAN. The time of the gentleman has expired.

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

I yield to the gentleman from Illinois.

Mr. YATES. Is not the gentleman, therefore, stating that existing law is adequate to take care of this situation without passage of this legislation? I have that impression.

Mr. ASHLEY. No. Let me explain to the gentleman from Illinois. Under the existing Export Administration Act of 1969, the Presidential authority can be triggered when it is necessary to protect the domestic economy from the excessive drain of scarce materials and to meet the serious inflationary impact of abnormal foreign demand.

The administration interpreted existing law to set up three criteria, all of which must be met. What we said was:

Mr. President, you asked for new authority in your speech of June 13. You asked for new authority under the Economic Stabilization Act. We are not going to give you that. We are going to give you more flexible authority under the Export Administration Act of 1969, and we are going to do it in this way: Instead of requiring all three criteria to be met before presidential authority can be invoked, we will say that it can be used by you when you find that it is necessary either to protect the domestic economy from the excessive drain of scarce materials or to reduce the serious inflationary impact of abnormal foreign demand—either—or rather than insisting upon three criteria being simultaneously met.

Obviously this bill makes it a more flexible tool for the President in the exercise of his authority.

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

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

Mr. VANIK. Mr. Chairman, under the proposal of the committee—and I appreciate the gentleman's response—is there anything that compels export control action? In other words the President still has full discretion without any triggering device compelling him to act. Did the committee consider putting in a triggering device which would require that under certain conditions export controls would have to come into effect?

Mr. ASHLEY. Yes, we did, and frankly we rejected those except in the case of the timber, and as I indicated earlier that is going to be eliminated if my amendment carries.

Let me answer the gentleman. We rejected that approach because we do not think that the Congress is really in the best posture to evaluate each specific sector of the economy at any given time and to insist upon imposition of controls or not. We feel that our basic responsibility is to provide the authority with guidelines and leave the responsibility for the administration of this authority to the President.

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

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

Mr. VANIK. If this section is adopted and export controls are imposed, how will the licensing feature be handled—in the past we had a great many problems with the oil import tickets which were distributed to favorites in the industry, they were bought, sold and

traded. How is it suggested or how is it proposed these export licenses will be handled? How will that be done?

Mr. ASHLEY. What we have been told rather indirectly, because our hearings concluded before the use of the authority by the President, was that there will be a licensing mechanism to determine the volume of exports abroad, that there will be a number of factors such as the history of our trade relations which will be taken into account, and every effort will be made to protect the sanctity of the contract—and as a matter of fact this has been done after a very faulty start. This primarily will be the approach that will be taken.

Mr. VANIK. Will the export licenses or permits be recognized on the basis of the priority with which they are filed? Will there be some fair manner to prevent discrimination or preference at the hands of the export control authority?

Mr. ASHLEY. Yes, and I will be very happy to provide the gentleman with the data we have on that, although I do not have those in front of me, but the Department of Commerce has indicated that every possible effort will be made to determine in the most fair and impartial manner and on the basis of specific criteria that are subject to scrutiny by the Congress.

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

Mr. Chairman, I rise in support of H.R. 8547.

I realize that there are some who object strongly to the imposition of export restrictions. In principle, I agree with them, but present circumstances necessitate some changes in existing law.

I am sure that everyone here is aware of the intensive efforts this Congress and the present administration have made to correct the balance-of-payments deficit and to control inflation. Both efforts are worthwhile. Both efforts deserve wholehearted support. It is ironic that we find ourselves in a situation where our failure to make sufficient progress in the fight against inflation necessitates some temporary reversals in the efforts to expand exports.

However, I want to make it clear that I do not interpret this bill as altering the basic thrust of our policies. If you review the hearings on this legislation and the debates which took place in the Subcommittee on International Trade, I think it would be perfectly clear that this bill is only an attempt to improve on the wording of the existing law which has governed our export control policies to date.

Under existing law, which states that it is the policy of the United States to use export controls to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand, it was found that we simply could not impose any export controls until critical domestic shortages had occurred. Despite the fact that some raw materials costs were escalating in response to worldwide demand, there was not what you could properly describe as an excessive drain of scarce materials. What the subcommittee was seeking was some prac-

tical way of anticipating difficult situations before they became critical. I am sure many Members are aware that at this time there were a number of industries which were asking for the imposition of export controls. They were in the unfortunate position of having their price levels restricted while their raw material costs escalated in response to foreign and domestic demand.

What this bill does basically is to provide a mechanism whereby industries which see export demands growing that may affect them adversely can initiate some review actions. In addition, by the simple expedient of changing the word "and" to "or" in section 3(2)(A) of the act, we have provided the flexibility the President asked for in his June 13 speech to use export controls to restrain inflationary pressures.

During the last few days, a number of people have complained about the export restrictions which have been imposed on feed grains and soybeans. We on the committee—and all the administration witnesses we have heard both formally and informally—are well aware that you cannot expand the supplies of agricultural products by restricting prices or their markets. I feel confident any such controls will be relaxed as quickly as possible. The administration's dedication to expanded production and its aversion to controls is well known. It is certainly our intention that these authorities be used sparingly consistent with the President's statement.

But we will not let foreign sales price meat and eggs off the American table.

Let me point out the flexibility we provide in this bill will encourage prompt decontrol as well as facilitating new controls. We feel confident that program administrators will be more willing to suspend controls if they know that they can reinstate them if needed to control inflation without having to demonstrate that there is an excessive drain of scarce materials which is harmful to the domestic economy. We recognize that we have encouraged our businessmen to develop foreign markets and we recognize the adverse impact on these efforts of any prolonged restrictions. On the other hand, we recognize the dire necessity of controlling inflation must create some temporary disruptions to all other endeavors.

Mr. Chairman, section 2 of H.R. 8547 would add a new section 10 to the Export Administration Act dealing with the exportation of lumber and logs. This is a good provision and illustrates the kinds of problems we have to cope with that led to this legislation. Strong domestic demand had driven lumber prices upward sharply in 1972 and early this year. No export controls had been imposed because exports did not constitute an excessive drain of scarce material. We had plenty of logs. The problem was that they were not being moved to market.

This proposal is intended to assure that the supply of logs will be increased sufficiently to serve our domestic needs and preserve our valuable foreign markets.

I am pleased to tell you that on May 29 the Secretary of Agriculture and the Director of the Cost of Living Council jointly announced completion of a de-

tailed plan to assure offerings of 11.8 billion board feet during 1973 and 1974. The Office of Management and Budget has authorized the necessary additional personnel for the Forest Service to carry on this increased activity. Also, as an interim measure, our Special Trade Representative, Mr. W. D. Eberle, has negotiated a voluntary reduction of purchases by the Japanese. There has been a sharp reduction in lumber prices recently.

Mr. WIDNALL. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I support H.R. 8547, the bill to amend the Export Administration Act of 1969. As I stated in my supplemental views in the committee report, this is a necessary piece of legislation.

As the bill came from the committee, my major objection was to the amendment offered by the gentleman from Connecticut (Mr. COTTER) and accepted by the committee. Since that time, the gentleman from Connecticut has developed improved language for an amendment which preserves his original intent and which is satisfactory to all parties involved, especially to the Secretary of Commerce.

The gentleman from Connecticut is to be congratulated for the excellent work he has done on this amendment. I hope his amendment will be swiftly and unanimously adopted today.

With the improved Cotter amendment, the bill should be approved in the House. Certain other amendments have been proposed. It is my hope that the House will not accept the Gibbons-Findley amendment which would give either House a veto over the authority which the Congress has delegated to the executive branch. Nobody really likes export controls, but this Congress has taken the position that such controls are necessary from time to time to protect our domestic consumers from shortages and unnecessary high prices. This Congress has delegated control authority to the Secretary of Commerce. If, as proposed in the Gibbons-Findley amendment, that authority is so strongly limited, it may be better not to grant it in the first place. To Members who are concerned about inflation and shortages—who want to protect their consumers from unreasonably high prices—I recommend a "nay" vote on the Gibbons-Findley amendment and an "aye" vote on the bill.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I thank the distinguished gentleman from Ohio for yielding me this time.

I would like to address myself to the bill in general and particularly to section 2 which relates to the imposition of export controls on lumber and logs.

The United States is dependent upon other countries for many essential commodities. We import over 80 percent of our aluminum—ores and metal—chromium, asbestos, nickel, and tin. We are dependent on other countries for significant quantities of silver, gypsum, petroleum, iron, lead, and other vital ma-

terials. Our dependence on other countries for these basic commodities, which are essential to the maintenance of our technological society, has contributed, in important measure, to our adverse balance of payments in recent years.

We need these commodities. If we are to continue to import them and, at the same time, maintain a reasonable balance of payments, we must, in turn, export commodities which other nations want. We cannot maintain our balance of payments by only exporting commodities which are clearly surplus to our needs. In recognition of this fact, it behooves us to carefully balance domestic supply and price benefits against the benefits of free trade in evaluating proposals to restrict exports.

Section 2 of H.R. 8547 establishes limits on the export of softwood logs and lumber from the United States during 1973 and 1974, unless the Secretary of Agriculture certifies that not less than 11.8 billion board feet of softwood timber is to be sold from the national forests each year. The bill would also preclude the sale of national forest timber in the West for export and require the Secretaries of Agriculture and of the Interior to adopt regulations to prevent substitution of Federal timber for private timber which is exported.

It seems apparent that the proposed limitations on exports would be invoked. The total timber sale program for the national forests in fiscal year 1974 is just 11.8 billion board feet. Of this, some 600 million board feet will be hardwoods.

National forest timber sales are an important element in meeting our Nation's wood product needs. Currently, about 30 percent of the lumber, plywood, and other wood products produced in this country are manufactured from national forest timber. However, since only a portion of the national forest timber sale program is in the export area, I can see little logic for tying export controls to the level of national forest timber sales.

The United States is a net importer of forest products. Imports in 1972 were about 3.07 billion cubic feet or more than double the 1.33 billion cubic feet exported. For the products affected by H.R. 8547, log exports in 1972 were 3.1 billion board feet and lumber exports 1.2 billion board feet. Log exports were 14 percent above the 1970 level, the previous record year. The volume of logs and lumber exported was more than offset by the import of 9 billion board feet of softwood lumber from Canada, an increase of 24 percent over the 1971 level. This large increase in imports reflects the strong domestic housing market in 1971 and 1972 which created demands for lumber and plywood in excess of available domestic supplies. Approximately 23 percent of the softwood lumber consumed in the United States in 1972 was imported from Canada.

Since the United States has experienced a shortage of lumber and plywood, many people have argued that we should stop or restrict exports in order to increase supplies. This is the objective of H.R. 8547. It is not clear, however, that reducing exports would have this desired effect.

About 68 percent of the logs exported in 1972 were harvested in the State of Washington; 26 percent were harvested in Oregon, and about 5 percent in California and Alaska. Of the logs harvested in Washington, 9 percent were from Federal forests, 23 percent from State-owned forests, and 68 percent from privately owned forests. Because of the dominant position of Washington State in the log export trade, that State offers an opportunity to evaluate the impacts of a restriction on exports.

Would a reduction in log exports increase lumber and plywood production in Washington? Apparently not. The Washington State Department of Natural Resources reports that if log exports were banned, lumber and plywood production could not be increased immediately. Existing processing facilities in the export area are operating near their practical capacity. It would take about 4 years to build facilities which could process the additional volume. In the meantime, domestic demand is likely to slack off so the incentive to install the additional capacity may be lacking.

There have been significant benefits to the State of Washington from log exports. Exports have served to stabilize the logging industry during fluctuations in domestic markets. Of even more importance, increased stumpage values generated by the export market have provided the incentive for investments in improving utilization and in intensive forest management.

The benefits are illustrated most dramatically by the fact that while the State's total timber harvest volume increased by 46 percent between 1961 and 1971, the annual area cutover has actually decreased. It is also important to note that in a statewide referendum, the voters upheld the export of logs from State-owned lands.

Four-fifths of our log exports in 1972 went to Japan, largely for use in home construction. Japan also imports softwood logs from Russia. She imports softwood lumber from the United States, Russia, and Canada. Because of the complex trade relations involved, it is hard to predict, with certainty, the impact of a restriction on log and lumber exports from this country. It seems most likely that Japan would turn to Canada to replace the volumes she has been importing from the United States. The result of the increased competition for Canadian lumber would likely be to decrease the volumes available for import to this country or at least to increase prices. Thus, in the short term, the imposition of export controls may actually aggravate our lumber supply situation.

Years 1971 and 1972 were record years for housing construction in this country. The construction of 2.4 million conventional housing units in 1972 was 70 percent above the annual level of housing construction in the decade of the sixties. This unprecedented level of construction generated serious lumber and plywood supply problems. It appears likely, however, that this high level of construction will not be maintained. Rising interest rates and a shortage of mortgage funds

have caused a sharp downturn in housing starts.

The National Association of Home Builders recently predicted the start of only 1.6 million units in 1974, a decline of over 30 percent from the record 1972 level. If this prediction is accurate, continued log exports will help to reduce the serious impact of reduced production on the logging industry and the overall economy of the Pacific Northwest.

In response to both increased lumber and plywood production following the end of phase II controls and to anticipated reductions in housing construction, prices for construction grades of lumber and plywood have decreased dramatically. It seems obvious that in the short-term period covered by section 2 of H.R. 8547, the shortage of the last year will not be repeated.

In May, the administration announced that the Japanese Government had agreed to restrict log imports from this country in fiscal year 1974 to 8 percent below the 1972 level. This step should help to relieve any log shortages in the export area.

Log exports contributed over \$400 million to our export trade in 1972. This was an important contribution to our balance of payments. Log exports stimulated improved utilization of our harvested trees and investments in reforestation and timber stand improvement. These investments will increase the volume of timber available to meet our future needs. Restriction of exports would reduce these benefits, with no offsetting benefits in terms of lumber and plywood supplies or prices for the American people.

Section 2 of this bill, as written, is both unnecessary and undesirable. As a portion of the farm bill, the House approved a forestry incentives program to encourage timber production. Section 2 of this bill, as it is written, would reduce production and negate what the Congress accomplished in the farm bill.

Mr. Chairman, I am hopeful that we can amend section 2 of this bill to protect our timber producers and insure an adequate supply of timber for all Americans.

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

Mr. ZWACH. Mr. Chairman, I rise in opposition to H.R. 8547, amendments to the export administration act.

The year 1973 is expected to be a record year for America's farmers. Total income from farm operations is estimated to reach \$25 billion in 1973, a rise of \$13.3 billion since 1960. The average earnings per farm in 1960 was \$3,000. In 1972, the figure had risen to \$7,000. In 1973 it is estimated to be around \$8,500.

U.S. News & World Report in its August 27, 1973, issue features a story entitled, "Plenty of Food on the Way—Report From U.S. Farm Belt." The article tells of the record prices received by American farmers, but adds that "farmers need the money they are getting for their products because they are loaded with debt." Truer words were never spoken.

Mr. Chairman, I would like to insert into the RECORD the "Balance Sheet on Farm Debt in the U.S." The table shows

that in the past 12 years the farm debt has increased by 175 percent, far ahead and above the rise in farm prices or prices of food in the store. The table follows:

	"BALANCE SHEET" FARM DEBT		
	[In billions of dollars]		
	Real estate	Nonreal estate	Total debt
1961	12.8	13.4	26.2
1962	13.9	14.8	28.7
1963	15.1	16.6	31.7
1964	16.8	18.1	34.9
1965	18.9	18.7	37.6
1966	21.2	20.4	41.6
1967	23.3	22.4	45.9
1968	25.5	24.9	50.4
1969	27.1	27.5	54.6
1970	28.4	29.7	58.1
1971	29.5	31.6	61.1
1972	31.3	35.6	66.9
1973 (estimated)	33.9	38.1	72.0
Increase	18.5	24.7	45.8
Percent increase	145	184	175

Source: Farm Production Economy Division, USDA.

The U.S. News story goes on to add that:

The key of this prosperity is unprecedented farm exports, stemming from a worldwide grain shortage. The thinking among some farmers is that as long as other nations are coming to the United States to buy grain, the more this country can produce, the better.

In 1973, the United States will export \$12.9 billion worth of farm commodities, an increase of 60 percent over the 1972 figure of \$8.05 billion. Agricultural commodities composed 19 percent of the total U.S. exports in 1972, while composing only 12 percent of the total U.S. imports. Since 1940 agricultural commodities exported have increased 6 percent, while the percentage of agricultural commodities we have imported has decreased 39 percent.

The U.S. balance of payments for the second quarter of 1973 shows the first "favorable" balance since 1969. A great deal of the credit for this turnaround is due to the exportation of agricultural commodities.

Secretary of Agriculture Butz, who is opposed to export controls, says:

Never before has agricultural trade been so essential to the health of our farm economy.

According to Mr. Butz, farm exports benefit farmers and consumers, and are vital to our economy, our balance of payments, international stability of our currency, and world peace. I agree with Mr. Butz.

If we are to encourage our farmers to produce more than ever before, we must provide the incentive of a fair, equitable market price for their products. Five percent of our country is feeding 100 percent of our people better than ever before, and still able to export abroad to help "feed the world." The farmer is a wonderful asset to America. He must be rewarded, not handicapped by export restrictions.

We have just passed an historic farm bill. The year 1974 will embrace new farm concepts geared toward encouraging production, not discouraging overproduction through set-aside acres, as in the past. Farmers have been given the incentive

to "get out and produce" through the new farm bill and increased exports abroad. The year 1973 has been a great year for agriculture. And 1974 has the potential of being a super great one for the farmer. But we must not close the markets for farm commodities whether at home or abroad.

I think Sam Thomas, an agriculture development manager in Amarillo, Tex., hits the nail on the head. Mr. Thomas told U.S. News:

If exports don't hold up there will be the darnedest glut of farm produce you ever saw. The energy shortage will be over. We'll be burning wheat and corn.

I agree with Mr. Robert Frederick, legislative director of the National Grange, on export control. He said:

I believe the answer lies in increased productivity so that American agriculture can meet the demands of both foreign and domestic markets. Give the U.S. farmer a profit on his production and he will meet the demand. Restrict the profit incentive through export controls and he will not produce, resulting in still higher domestic prices—it is as simple as that.

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

Mr. FINDLEY. Mr. Chairman, attendance in the Chamber at this moment is rather sparse. I believe those who are here have listened to the discussion earlier today, and in all modesty what I say may have little effect on the way votes are cast, so I will put most of the material I believe the record should contain in the RECORD under permission to revise and extend.

The CHAIRMAN. The Chair will advise the gentleman he will have to do that in the House.

Mr. FINDLEY. I thank the Chairman.

In the 13 years I have been privileged to be a Member of this body some great, noteworthy legislation in the field of trade has been enacted. I believe the high point came in 1962. I believe it was that year when the late President Kennedy issued the warning that we must trade or fade as a nation.

The Congress, under the leadership of WILBUR MILLS and John Byrnes of the Committee on Ways and Means and members of the committee which has now brought forth this bill to the floor responded with a progressive Trade Expansion Act, an act which expired 2 years ago, leaving the President without any authority to enter into further negotiations for further trade agreements to expand trade with other nations.

The experience of this Nation last winter surely has made it plain to everyone that we must be a trading nation or we will go hungry and cold. We need fuel from abroad, and the only way to buy fuel and other essential imports is to have the ability to earn foreign exchange.

The bill before us now could properly and accurately be called not the Trade Expansion Act of 1973 but, curiously, the Trade Restriction Act of 1973, because there is nothing in it except authority for the President to cut back on trade.

Who knows what he will do? Who would have guessed he would have used the authority he already had so unwise-ly in July?

At stake is a tremendous number of foreign exchange dollars. Last year agricultural products earned \$11 billion in foreign exchange. There is no other sector of our economy that holds such great promise for earning the greater number of dollars in foreign exchange, that we so desperately need as a Nation, that we must have in order to continue our progress in so many fields.

So I implore my colleagues in this body to reject this unwise legislation. Today we are in the ignoble position of considering a bill to restrict trade when, instead, we should be voting to the President authority to expand trade.

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

Mr. FINDLEY. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, I am sure that one of the ironies of this situation has not escaped the gentleman in the well, but I think perhaps it ought to be mentioned before we pass through this debate.

We hear a great deal today, from the other side of the House, particularly about the drain of additional power to the Executive and the surrender of congressional authority, and it strikes me as quite ironical that with all that talk, here are some of the same Members who stand up and bring in a bill of this kind which, without any particular guidelines so far as I can see, gives the President even greater power than we have already given him to impose controls in his own discretion on the export of agricultural commodities.

It seems to me that it is a very ironical thing for us to be doing, and if we are serious about this business of erosion of congressional control and delegation of power to the Executive, the least we could do would be to adopt the amendment that I understand the gentleman is going to offer and give us in the Congress a chance to veto these controls as we see fit.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman.

Finally, I would like to quote from a speech which was made by Earl Butz, the Secretary of Agriculture, on July 24, 1973, here in Washington, showing his opposition to control of exports.

Secretary Butz said as follows:

Let us clear up any misunderstanding on that matter. It was temporary. It will be lifted when the new crop begins to come in during September. As crop conditions appear now, there will be absolutely no reason to impose import controls on the 1973 crop.

Mr. Chairman, as the bill is debated today, hard red winter wheat is being poured onto the ground in Texas, Oklahoma, and Kansas because there is so much of it that it cannot be moved into domestic and foreign channels fast enough.

Typically, there is wheat stored on the ground from June through September each year because storage and transportation facilities are inadequate.

Last year, millions of bushels of corn were also stored on the ground, together with soybeans.

The loss resulting from this forced storage in the open on the ground is tremendous.

With wheat already on the ground, and

with the record corn crop coming in and a certainty that it too will be stored on the ground, it is the height of absurdity even to consider passing a bill which could cause further backup in the movement of grains and will doubtlessly cause more grain to be poured on the ground to rot and spoil. What we should be doing is freeing up the channels through which grain flows, not putting an additional crimp in them. Almost 1 out of every 3 acres of crops produced in the United States is sold to foreign countries.

One-fifth of the labor force in this country owes their jobs to agriculture.

Agriculture contributed \$3 billion to the Nation's balance of trade. By contrast, nonagricultural trade resulted in a \$9.7 billion deficit. Agriculture literally kept our Nation economically afloat abroad last year.

In the next decade, a Government study shows that the United States could sell an additional \$8 billion worth of agricultural products abroad, on top of the \$11 billion of present sales. That increase could all by itself eliminate our balance-of-payments deficit, give the United States a comfortable surplus, restore the dollar as the No. 1 currency in the world, and do much to curb inflation at home.

Only 2 days ago, at a White House press conference announcing phase IV, Treasury Secretary Shultz stated:

If you control exports . . . all you do is weaken your own currency, and that means you have to pay more for the things you import and your consumers end up paying that price.

Shortly, we will have the trade bill before us.

Secretary of Agriculture Butz recently stated:

Next fall, we will be entering into negotiations with our traditional trading partners to seek liberalized trade through the General Agreement on Tariffs and Trade.

It is imperative that the United States enter the GATT negotiations in the best possible position to bargain.

This bill will weaken our negotiating position. Already, Japan—our only billion-dollar-a-year agricultural customer—is looking for alternative sources of food as a result of the embargo on soybeans. The Japanese eat soybeans as a regular part of their diet and have been drastically affected by the embargo. You can be sure that Japanese businessmen will not forget that the United States got them into this pinch, nor will they forget the countries that help them out of it.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support today of the legislation before us, H.R. 8547, which would amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal demand.

What we have today at stake is the protection of the American consumer and industry. The committee has presented us with an effective bill which clearly expresses the intent of the Congress to stem the tide of accelerated increases in the domestic price of food

and other consumer products caused by unrestricted exports.

I feel compelled to point out, as I have done so many times in the past in this body, the example of how abnormal foreign demand for a scarce commodity has affected one U.S. industry—the footwear industry. This country has been exporting cattlehides at an ever-increasing rate over the past few years. Since Argentina and Brazil have placed embargoes on the exportation of cattlehides, the demand upon the U.S. supply has increased tremendously. Accordingly, prices on hides have skyrocketed. The price of hides rose 41.8 percent from March 1972 to March 1973. And in the preceding year, the jump in price was 64.7 percent. Through 1970, the cost of hides remained relatively stable, hovering around 14 cents per pound. But now, Mr. Speaker, the story is a very different one with hide prices hitting anywhere from an unbelievable 34 to 43 cents per pound.

A report of the Chicago Tribune Service states that in 1973, there are estimates that 50 percent of our domestic supply of cattlehides will be exported. This has resulted in a severe drain. By agreeing to export cattlehides, producers receive a higher price than if they just restricted their sales to domestic manufacturers. Such action is forcing American industries to pay exorbitant prices for these materials. The domestic leather industries have been searching worldwide for reasonable prices on hides. For the past 10 years, the United States has imported hides from Canada at the rate of 327,000 per year. Even this source has threatened to discontinue its exports.

As I mentioned before, the industries are forced to pay high prices for cattlehides, and this, combined with steep production costs, has raised the price of American shoes by 6.9 percent. Officials of the shoe industry see no end to the price increases if we continue our present policies.

It does not take much imagination to figure out what this has meant in terms of loss of jobs in the footwear industry and in the tanneries. While the unemployment rate in the leather industries is skyrocketing at an incredible rate, this Government still goes along in a seemingly ambivalent manner, refusing to take any action to protect these jobs and industries. I can only conclude by saying that we have seen what has been happening with no controls on these scarce commodities. What more proof do we need? It should be of primary importance to this Government to see to it that American jobs, consumers and industries are protected, and I trust that our actions here today will be directed toward this end.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DENHOLM).

Mr. DENHOLM. Mr. Chairman, I rise in opposition to H.R. 8547, in part for the reasons that were stated by my distinguished colleague, the gentleman from Indiana (Mr. DENNIS). The power struggle continues about who has the authority to lead and who is in control of the Government of this country. The President challenges the Congress and the Congress challenges the President.

Both ought to remember that the people are in control of the Government of this democracy.

The people of my State do not want trade restriction. There is no doubt that the deficit in the balance of payments has been improved as a result of the export of agricultural commodities. It is true that at the present time the consumers in our country are disturbed about the rising cost of food and fiber. We, as Members of Congress, ought to recognize those things which really precipitated the inflationary trends in this country during the last few years.

Mr. Chairman, during the August recess of this year it was my pleasure to join the distinguished gentleman from Texas, the chairman of the Committee on Agriculture, on a trip to Venezuela and I will use that experience as only one instance to underscore the trade program which is in progress with that country.

We were invited to Venezuela as guests of that government, at their expense and at no cost to our people, for the purpose of improving reasonable relations on trade. They need several million metric tons of wheat to feed their people. They produce only 7 percent of their gross national product from agricultural commodities. Many people of this country, including three major oil companies, have sizable investments in the country of Venezuela. The situation is so serious now that Venezuela is contemplating expropriating and nationalizing the petroleum industry in their country to enhance their bargaining power on trade policy so that they can obtain essential food from North America.

While 65 percent of the production of petroleum in Venezuela is exported to Canada and the United States we are at the present time in a situation where we cannot fulfill our commitments to the country of Venezuela and other friendly nations around the world because of the transactions that were made by this administration in massive credit sales to the Communists last year.

Because of the circumstances that occurred a year ago we now experience an economic situation that is not in balance at home or abroad.

There is nothing in the proposed legislation that will stop another massive credit sale of grain to China or Russia. If there is, I challenge anyone on the committee to inform me where such language does exist.

So in the interests of our own people I believe we should not enact the proposed legislation now before this legislative body.

The Secretary of Agriculture is attempting to move the producers of this country to greater production and to force prices received by farmers and ranchers to lower levels. Embargo quotas will fuel that philosophy to an economic collapse at home and abroad.

It was not the producers who precipitated the inflationary trends that we now experience. In 1971 the President asked for and the Congress gave him a tax writeoff of \$16.5 billion at a time when we were winding down the war. In 1972, an election year, the President asked for and the Congress gave him a

\$30 billion revenue-sharing program when we did not have revenue to share. In the few years that I have been a Member of Congress, the President has asked that the national debt ceiling limit be increased nine times. The dollar has been devalued 30 percent in the same length of time. These are the reasons why American consumers are forced to higher prices for essential foods. These are policies of inflation—no embargo quota can correct.

For almost 20 years prices received by farmers were one-third less than parity. Today farmers have almost caught up with the inflationary trend of other segments of the total economy. That is said to be unfair. I submit that a nation moves on the backs of farmers—laden their load and you will break the economic strength of our country. Ladies and gentlemen, impose export quotas by encouraging the President to exercise existing authority by approving the legislation before us today and you will precipitate an economic war against the interest of America. We have ended a hot war in Indochina—let us not begin another. Let us build America in policies of free competition in productivity and not regress to the Smoot-Hawley days of the past and economic collapse of "boon and bust" because of policies of economic protectionism. I urge the defeat of the proposed legislation because it is not in the interest of our country or our friends around the world.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, the log export control provisions of H.R. 8547 are entirely inadequate. Our Nation's timber supply is vanishing at an alarming rate, and the U.S. Forest Service has predicted that demand may exceed supply by as much as 20 billion board feet by the year 2000.

The bill before us would limit log exports to 2.5 billion board feet and lumber exports to 1 billion board feet for the next 2 years unless the Secretary of Agriculture certifies that the allowable cut of the national forests will be 11.8 billion each fiscal year.

In reality this does virtually nothing. The Forest Service and the Cost of Living Council have already promised that the 11.8 billion board feet goal will be reached. Today the only question remaining is how to finance the additional sales. Furthermore, the House should know that increasing the allowable cut will have little short-term effect. I say this because it takes 3 to 4 years for a Federal timber sale to be completed. In other words, a sale made tomorrow from the Willamette National Forest in Oregon might not reach our local lumber yards until 1976.

The bill further requires that no Federal timber may be sold into export unless the President determines that there is an adequate supply of softwood logs and lumber at reasonable price levels. Here again the measure is inadequate. Existing law does not permit exports of Federal timber above 350 million board feet a year. This would be the limit set by H.R. 8547. But total log exports last year were 2.78 billion board feet.

Members of this House who are unfamiliar with the Pacific Northwest's log export controversy might believe that log exporting is good for our balance of trade. This is not true. Last year the United States exported 2.78 billion board feet of unprocessed timber. But we imported 9 billion board feet of processed, expensive lumber. We sent \$378 million out the front door and brought in \$1.7 billion in finished products through the back door. The historic trend is even more alarming. Around 1941 the United States ceased being a wood fiber exporting Nation. Today we import more than we export. Our principal imports include 9 billion board feet of softwood lumber, 70 percent of the Nation's newsprint, substantial amounts of hardwood lumber and plywood, and market pulp. Mr. Chairman, what is happening in wood fiber is parallel to what we all know is happening in petroleum; consumption is rising rapidly, and we are becoming dependent on foreign sources. I can illustrate this with the following table:

	Logs exported	Lumber imported
Year:		
1955	166,000,000	3,300,000,000
1962	522,000,000	4,500,000,000
1967	1,900,000,000	4,700,000,000
1972	2,800,000,000	9,000,000,000

Supply and demand for the United States and Japan demonstrate the need for further controls on exports of unprocessed wood fiber. To argue that the recently announced Japanese reduction in wood imports from the United States will solve the problem is to overlook reality. Japan is embarked on a long-range plan to improve housing conditions. Random Lengths, the American export-import newsletter, observed last November 29 that—

Current Japanese programs look for the construction of 9.5 million housing units from 1971 to 1975, compared with the 6.7 million units targeted for the preceding five years.

Now it seems that the target has grown larger. The June 4 issue of the New York Journal of Commerce said that Japan intended to double or perhaps triple its housing starts in the next few years. There is no need to elaborate what will happen in the long run to American timber supply and lumber prices should we continue to allow virtually unlimited exporting. Moreover, it may interest you to know that Japan has been reducing the annual timber cuts on its own forests. In 1972 there was a 12-percent reduction in the harvest on Japan's national forests, and a further reduction of 15 percent on the Hokkaido forests.

And what of the U.S. supply? In the new "Outlook for Timber" study the U.S. Forest Service says that domestic demand for softwood sawtimber will rise from 47 billion board feet in 1970 to 70 billion board feet in the year 2000. The Forest Service cautions that—

With recent levels of forest management, only modest increases in timber supplies will be available in future decades.

No one in this Chamber favors more adequate funding for the Forest Service

to grow more trees than I do, Mr. Chairman, but trees do not grow to maturity overnight, and why should we spend the taxpayers' money to raise trees for Japan at the expense of our people?

I doubt that the Banking and Currency Committee got into the question of overcutting. Today we have a regional imbalance in timber management by all parties. In the Southeast both the Government and industry are growing more timber than they are cutting. Not so in the Pacific Northwest. Ed Cliff, then Chief of the U.S. Forest Service, told the Senate Banking and Currency Committee in 1969 that—

In the West, where most of the softwood lumber and plywood is produced, the softwood resources in private ownership are being overcut. Log supplies from these lands must decline substantially over the next few decades.

Just how serious the problem is can be seen in the "Outlook for Timber" study. The Forest Service said that the annual cut on industry lands on the Pacific coast would decline from 10.5 billion board feet in 1970 to 4.4 billion board feet in the year 2000.

To summarize, Mr. Chairman, the export controls on timber contained in H.R. 8547 are far less than what we need. Our balance of trade is being eroded by exporting cheap and importing dear. The trend is getting worse. Our domestic demands exceed what we can produce with current management. Timber on the Pacific coast is being overcut. Japan's demands are expected to increase greatly. Stronger export controls must be applied to serve the requirements of industry, builders, workers, and the public who wants inexpensive and available housing.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may use to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, I rise in support of the legislation before us, and to urge that, if it is passed, immediate consideration be given to the problem of the wheat shortage price increases it is causing.

We do have a wheat shortage, due to export sales last year, and this shortage is contributing directly to inflation in increasing prices for wheat products.

I would hope that this Nation would address itself to setting up export controls which would protect the American producer and user of wheat and wheat products.

I would recommend that we set up machinery to project U.S. grain needs, then project the amount we need for an adequate reserve, and then—only then—export the balance. I am for foreign trade, when it can be carried on without penalizing our own consumers. But, being an old farm boy, I know there is always the possibility of a bad crop, and I know you have to have a little left over in the bin in case you do get a bad crop.

I think we also ought to take a look at the form our exports take.

This Nation has a tremendous milling capacity, and every bushel of wheat which is converted into flour means time on the job for American workers.

Why, then, should we export our wheat as raw material? Why not require that

our exported wheat be shipped as flour? It just makes good sense.

Both these points I have made today are better explained in a paper I had prepared for me by Mr. E. W. Morrison, Jr., president of the Morrison Milling Co., in Denton, Tex.

I would like to have Mr. Morrison's paper appear in the RECORD, and I would like especially to draw your attention to his comments concerning the European Common Market's flour export program, and the Argentine wheat export embargo.

Mr. Chairman, the proposals I make here today are not new. They would only serve to put America on par with other grain-producing nations.

I believe we should make sure that there is bread on our own tables and jobs for our own workers before we export any natural resource.

The paper follows:

MR. MORRISON'S PAPER

We, as a unit of the Flour Milling Industry, are seriously concerned as to the sufficiency of our nation's wheat supplies to meet the minimum domestic requirements for the balance of the current crop year. We firmly believe that an adequate reserve of our nation's food grains is an essential goal for America and that every reasonable precaution should be taken to assure that domestic shortages of wheat and other food grains should not be permitted to develop.

To accomplish this goal, we strongly recommend the consideration of immediate licensing of wheat exports and the possible deferral of deliveries of existing sales.

Below is a summary tabulation based upon the most recently published reports by USDA on the 1973-74 wheat supply outlook:

	Million bushels
Beginning carryover (All classes) -----	428
Production -----	1,749
 Total supply -----	2,177
Estimated domestic disappearance -----	793
*Export wheat commitments (through August 3) -----	1,230
Wheat product exports -----	60
 Balance stocks available -----	94

*Based on undelivered sales of 1,110 million bushels plus shipments to same date (Aug. 3) of 120 million bushels.

Unless some kind of a control program is initiated at once, there is nothing to prevent our level of wheat stocks from being reduced to zero in the face of continued world demand. We believe this to be an emergency situation, which in no way contradicts a long term commitment through letting the market place determine supply and demand.

The administration feels an amount of 300 million bushels of unidentified destination, but reported sales (as included in these figures) are in the hands of speculators, and may ultimately find their way back into domestic channels. We believe this contrary to general trade practice and a dangerous assumption based on the statistical position above.

The administration has suggested the industry purchase its long term requirements. Unfortunately, the cost of owning and carrying huge inventories at today's values is prohibitive. As small as we are, for us to acquire a six month inventory of wheat alone, would require credit facilities of \$2,600,000 greatly in excess of our ability to borrow. Further, with prime interest today approximating 10%, the cost of carrying such an inventory is prohibitive to a low margin industry such as ours.

We recognize the administration's posi-

tion that exports are important to allow payment for desired imports and that grain exports have contributed importantly to a favorable balance of trade. In partial answer to these arguments, please note the relatively insignificant quantity of wheat product exports as compared to sales of raw grain. Wheat products are of higher dollar value than raw grain and so could earn relatively more foreign exchange per unit of product exported. The milling of flour in the U.S. also provides more jobs for workers and permits a more flexible and orderly export movement because different rail lines, ports and docks can be utilized. More jobs than simply those of the industry would thus be created. The operation of the nation's flour milling industry at capacity, would generate more taxes and increase the supply of mill feed (a by-product of flour milling) which is an important feed ingredient (one of the cheapest today) and urgently needed to reduce the costs of livestock and poultry.

These are the many advantages of exporting wheat as flour. The European Common Market recognized this situation several days ago, by suspending exports of wheat but authorizing flour exports and even restitution by subsidy payments to encourage and strengthen the EEC's competitive position in world trade. Argentina, normally an exporting nation, has also embargoed wheat exports.

The need for an adequate reserve—along with some means of dividing up supplies available for export among the countries of the world on an equitable basis—we feel far outweighs the advantages of uncontrolled exports as advocated by the administration.

We further believe consideration should be given towards establishing some basis for a percentage of exports of wheat be required to be taken in the form of wheat flour.

We respectfully urge some type of immediate limitation or control to avoid what we foresee to be an emergency situation.

Mrs. GRASSO. Mr. Chairman, a contributing factor to the continuing inflationary spiral has been the lack of effective controls on our export of scarce commodities. For example, the previously uncontrolled export of agricultural products has decreased domestic supplies to such an extent that consumers are paying scandalously high prices for meat, bread, and milk. An insatiable foreign demand for both ferrous and nonferrous scrap—especially copper—has caused serious economic hardship in many industries in Connecticut and throughout the Nation. Increased demand for lumber, especially by the Japanese, along with the credit crunch, has severely damaged the home building industry.

Throughout this period, evidence indicates that the Department of Commerce has taken little action under the Export Administration Act either to protect the domestic economy from the drain of vital materials or to reduce inflation generated by increased foreign demand for the very goods which provide the backbone of our economy.

The bill before us—H.R. 8547, the Export Administration Act amendments—would improve the existing law, thereby strengthening our ability to deal with inflation through selective export controls on those commodities which are needed in our domestic economy.

First, the bill makes it easier for the Government to institute export controls. Under the language, either the protection of the domestic economy from the excessive drain of scarce materials, or the

need to reduce the impact of serious inflation caused by abnormal foreign demand is sufficient grounds for these controls. The present law requires that both criteria be met.

Second, the committee leaves no doubt about its definition of certain important words and phrases in this bill. "Scarce materials" result from the imbalance of supply and demand, whether caused by high demand or limited supply. Also, "abnormal foreign demand" would mean demand which is abnormal in its effect on domestic prices under existing economic circumstances. Together, the committee's comments show that the relative stability of the domestic economy must take precedence over increased export of vital materials.

Third, the bill would limit the export of softwood logs and lumber in calendar years 1973 and 1974, thereby reserving more of these products for domestic use. Only when an adequate supply is sufficiently evident would additional exports be permitted.

Mr. Chairman, the American consumer needs this legislation. According to the Labor Department, food prices in the 12-month period from July 1972 to July 1973 rose 13.4 percent. The Agriculture Department predicts an annual increase in food prices of 18 to 22 percent this year. Food price increases are attributed in part to a lack of feed grains which, in turn, results in large measure from the export of American feed grains. Once this bill is enacted into law, the need to reduce the inflationary impact of abnormal foreign demand will be sufficient grounds for export controls. With such a reasonable definition, no thinking individual could deny the need for effective controls on feed grains to maintain adequate domestic supplies at reasonable prices. With sufficient domestic supplies, the skyrocketing price of food could be restrained, and once again beef, poultry, and other products will find their way to our grocery shelves and dinner tables.

Therefore, for the sake of the American consumer, I urge the passage of this legislation.

Mr. MCCLORY. Mr. Chairman, I cannot give my support to this bill—H.R. 8547—which would authorize the imposition of export controls over a great variety of materials and commodities including many agricultural products. Living as we do in a nation which boasts of a free economy it would seem entirely basic to our system that those who produce and undertake to market their products should not be restricted or limited by the imposition of such artificial quotas. Obviously, such a practice would have the effect of limiting both the demand and lower the price at which materials or commodities are produced under our free enterprise system.

Mr. Chairman, I realize that the President and the Secretary of Commerce should be expected to administer this legislation consistent with the best interests of the people of our Nation. However, I am also conscious of the fact that pressures from special interest groups could be brought to bear under this measure in a way which would produce special benefits for them in derogation of the inherent rights and interests of those who produce the materials and

commodities which could be subjected to rigid controls under this legislation.

Mr. Chairman, I am of the opinion that this year's bumper crop provides an example of the way in which a free economy can adjust to increased prices and rich foreign markets. It is my expectation that the next few months will see an adjustment in food costs which will justify the free market system under which we have traditionally operated with advantages to both the producers and the consumers of the plentiful supply of goods to our thriving economy.

Mr. TIERNAN. Mr. Chairman, for the last month, I have been urging the administration to impose export controls on our agricultural products. But, despite the immediacy of the problem, I have received nothing but simple form replies. The Secretary of Agriculture, Earl L. Butz, has shown a complete lack of concern for the prices the American consumer must pay for food. Because of this attitude I urged the President to call for his resignation. But my words have fallen on deaf ears and the administration continues policies that cannot and have not controlled inflation.

Our problem with increasing prices of agricultural products stems from the exceedingly heavy demand for our supplies. The United States has more capacity and is more efficient at producing food than any other country in the world. For this reason foreign countries enter our agricultural markets and bid for our products. Over 60 percent of our wheat production is purchased by foreign countries. But the Department of Agriculture and the administration must realize that our supplies are finite, and that excessive foreign sales drive up the prices the American consumer must pay.

The prices for both wheat and corn have more than doubled in the last year. This is working a serious hardship on middle and low-income citizens. We are continually informed by the Agricultural Department that the American consumer pays under 20 percent of his income for food, less than any country in the world. But this statistic means absolutely nothing for the low- and middle-income consumer. It is like the analogy of a 6-foot man who thought he would not drown in a lake that had an "average" depth of only 4 feet. While the "average" amount spent on food may be below 20 percent of our income, for the middle- and low-income consumer it is more realistically between 30 and 50 percent of his income. And each increase in the rapidly rising food prices hurts him even more. In the month ending on August 15 food prices soared 20 percent. Twenty percent in 1 month. But the administration is still actively pursuing a policy that will continue to inflict the hardships of this inflation on the pocketbook of the average consumer.

An examination of the export figures of our agricultural goods clearly establishes the administration's proinflationary policies. Total exports of agricultural goods increased 4 percent from fiscal 1971 to 1972 but increased a spectacular 60 percent in fiscal 1973. Export increases in vital agricultural products have far outpaced our increase in production. Exports of feed grain have increased 110 percent from fiscal 1971;

wheat and wheat products 84 percent; oilseeds and products—soybeans—70 percent; meat and meat products 66 percent. In an attempt to increase our exports the administration has forced the American consumer to pay more and more of his wages to feed his family.

Our wheat supply now stands at a critical stage, selling close to the seriously high price of \$5 a bushel. And again this problem is directly attributable to the administration's export policy. In 1971 total production of wheat was 1,618 million bushels and our stock was 863 million bushels. In 1972 exports nearly doubled to 1,185 million bushels, our production slumped to 1,545 million bushels and our stocks dwindled to 428 million bushels. But the situation is more acute this year. The present crop year which began in July has an estimated production of 1,717 million bushels. Total export bookings for this crop year stand at 1,173 million bushels as of August 10 and have been steadily increasing. Added to this 150 million more bushels have already been exported since July 1. When we consider these export figures, along with our domestic consumption—last year domestic consumption was 796 million bushels—all our current 1973 crop production will be sold and our stocks reduced to a meager 80 million bushels. These statistics are causing furious speculative trading that has sent the price of a bushel of wheat as high as \$5.40; in just 1 week the cost of a bushel of wheat rose \$1.

But what has been the reaction of the U.S. Department of Agriculture and the administration to this situation? The Department of Agriculture has stated that of the 1,173 million bushels booked for exports almost 300 million bushels have been booked for "unidentified locations." There are possibilities that some of this wheat will find its way back into the domestic market. But these speculative purchases will still force the price of wheat up, and with the great existing foreign demand the price of wheat will stay at intolerable levels. At present, the Department of Agriculture's policy is to let the market alone, let the exceedingly high prices for food and feed grains remain at inflationary levels, let the present food and feed grain prices remain at such a level that bread, milk, meat, and poultry prices will skyrocket again in the coming year. To pursue such a policy makes the President's "new economic policies" Phase I through IV, nothing more than a folly. Today we are considering H.R. 8547, a bill that will spell out in no uncertain terms, that it is the administration's responsibility to impose export controls when foreign demand causes excessive inflation in the United States. I urge you to support this bill and hope the administration will listen to the voice of Congress more than it has listened to me and other individual Members.

Mr. GAYDOS. Mr. Chairman, I would like to make a few comments about H.R. 8547 and to applaud the supplemental views to H.R. 8547 of Congressman THOMAS L. ASHLEY and Congresswoman LEONOR K. SULLIVAN. These views were made on June 25, 1973, and were printed in report No. 93-325. Congressman ASHLEY and Congresswoman SULLIVAN

have summarized accurately the untenable economic situation of our domestic foundries of that segment of our steel industry that relies entirely on the raw material scrap iron and steel. They have correctly and emphatically stated that the excessive export of scrap iron and steel in 1969 and 1970, and in the last 9 months is precisely what the Export Administration Act of 1969 was designed to prevent.

The failure by the present Secretary of Commerce and of the incumbent in the 1969-70 period, shows a callous disregard for the well-being of our domestic industries, and for the jobs of those who are employed in these companies. We are not talking about a small and insignificant sector of the steel industry in this situation. The so-called, cold-metal shops represent approximately 20 percent of the raw steelmaking capacity of the Nation. The employees in this segment of the steel industry alone number well in excess of 100,000 individuals. Furthermore the steel these mills produce is essential for the continued operations of our steel consuming industries, especially in times such as we are experiencing now. The present international steel shortage is the second in 3 years. Although we experienced no international steel shortage from 1957 until the 1969-70 occurrence, there is every indication that we will have as many as four or five shortages in this decade. When an international steel shortage occurs iron and steel scrap, which only needs remelting to make steel, is in great demand. Japan knows how valuable scrap is and will not permit any scrap exports. The European Common Market will not permit the export of scrap out of their area. Before England joined the Common Market it put a total embargo on scrap exports. The present administration, however, permits scrap to be exported from this country until long after a shortage has occurred, and the shortage is vividly portrayed by price increases of 50 to 60 percent.

The administration knows that the cold-metal shops cannot pass this cost increase along with higher prices as the large integrated steel companies depend primarily on iron ore for their raw steel, and cannot accordingly cost justify price increases. If the cold-metal shops charge more than the big companies during a steel shortage, they will lose their customers when the shortage is over. In this type of situation chicken growers have an advantage. When their raw material price reaches a level that makes operations unprofitable they can turn off their incubator and wait for the feed price to recede. If a cold-metal shop turns off its "incubators" in a similar situation it will lose its trained employees and its customers and the chances of its ever starting up again would be negligible indeed.

These arguments are not new to this administration. They heard them in 1970 and have heard them again continuously in 1973. The Export Administration Act was in effect in 1970 just as it is in effect now. In 1970 the administration refused to admit that the criteria set forth in the act had been met. On July 3, 1973, the Secretary of Commerce finally admitted that the criteria called for in

the act had been met. Having at last reached this conclusion he then proceeded to do exactly nothing to restrict scrap iron and steel exports.

It is obvious to me that the Export Administration Act amply outlines what action should be taken by the Secretary of Commerce and when he should take it. It is also obvious to me that on two recent occasions the act has not been used when called for, and that irreparable economic damage has accordingly been done to our domestic industries.

In view of this repeated failure to act on the part of the administration, and in view of the present continuing damage that is being done to our industries, I am convinced that we must incorporate into the Export Administration Act an arithmetic trigger mechanism for the control of scrap iron and steel exports as soon as possible. I am sorry that H.R. 8547 does not include such a provision.

Mr. WOLFF. Mr. Chairman, I rise in support of H.R. 8547, to amend the Export Administration Act of 1969. This legislation is designed to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand. In essence, the bill gives to the President expanded authority to control the exports of those products, in particular food products like meat and feed grains, which are doing irrevocable damage to the American economy and the American consumer.

For some time, I have advocated that we stop sending food products abroad, in particular products like meat and wheat, when the supply we have for domestic consumption is inadequate. I have introduced legislation calling upon the President to embargo the exportation of feed grains, which influence the cost and supply of virtually every basic food product, until we are assured of adequate supplies of these commodities at prices the American people can afford. We have seen, and are continuing to feel, the economic damage caused by the massive Russian wheat deal last year—shortages of meat and dairy products, soaring costs of bread and flour products, and in general chaos on the supermarket shelves. I think we all realize the critical need to prevent similar economic disaster from occurring in the future, and H.R. 8547 can provide our Government with the tools it needs to effectively control, and if necessary halt, those exports which work against the needs and well-being of the American people.

This legislation revises that section of existing law which limits the President's authority to control the exportation of products like meat and feed grains. In amending the act, this bill assures the President adequate authority to impose restraints upon exports as part of an overall effort to curtail serious domestic inflation. It is hoped that, through this expanded authority, we will see a change in the current picture where the American housewife and her family cannot get meat in the supermarkets while all over Europe and Asia New York strip steaks are there for the asking.

In recent weeks the President has criticized the Congress for what he calls a lack of cooperation with his program to control inflation. Yet, it was this Con-

gress which gave to the President full authority for wage-price controls and other economic stabilization measures to combat inflation. And, it is this Congress which is giving to the President, through this legislation, the new authority which he asked for to impose a system of export controls to help achieve the goals of his anti-inflation program. It is up to the President to use his authority and, in turn, to cooperate with the Congress by using the tools which we have given him to get our economy back on its feet.

Mr. Chairman, I would like to commend the Banking and Currency Committee for its work on this legislation. I urge my colleagues to join with me in supporting this measure, to show the President that, as in the past, we are more than willing to cooperate with him, yet at the same time we look forward to his joining with us in our efforts to provide a better life for the American people.

Mr. CULVER. Mr. Chairman, I rise in opposition to H.R. 8547, the Export Administration Act amendments. This bill would broaden current Presidential authority by allowing export controls to be imposed to protect the domestic economy, even though the foreign demand in question is not abnormal and does not produce a serious inflationary impact. In my judgment the emphasis of this bill is misplaced and is likely to produce distortions more serious than any it proposes to remedy.

I take some comfort from the fact that controls on agricultural commodities could not be instituted without the concurrence of the Secretary of Agriculture. Secretary Butz has gone on record as opposing export controls on farm products in any but the most urgent circumstances. At the same time, the record of his Department in this field is not such as to inspire confidence. And the thrust of the bill as a whole is to regularize export controls at a time when our economy can least afford to be insulated from the world economy.

Mr. Chairman, we have two recent and disastrous examples of mismanagement of agricultural export policy. The first was last year's mismanaged sale of wheat to the Soviet Union, which certainly was abnormal, caused associated dislocation in other areas such as transportation and imposed enormous costs on U.S. consumers and taxpayers without properly benefiting our general farm economy. The second was this year's shortsighted embargo on soybeans and other agricultural exports, which seriously disrupted the confidence of major trading partners in Japan and Europe in the reliability of the United States as the major supplier of this important product.

There is a need for improved agricultural information flow to deal with abnormal and severely inflationary exports such as those associated with the Soviet wheat deal. We in the Congress have provided for such a mechanism in the newly enacted farm bill, which I supported. In addition to encouraging expanded crop production to meet increased demand, the bill establishes export-sales reporting requirements to permit more careful knowledge and monitoring of such transactions. It is essential that this information be not only accurately developed so that all relevant

data and implications are considered, but also disseminated rapidly to farmers and to the public.

We must create the conditions for adequate future agricultural supplies through methods less harmful than the blunt instrument of export embargoes. Shortages in the United States might be averted by the maintenance of reserves for basic agricultural commodities. Such a scheme could be internationalized through multinational commodity agreements with maximum-minimum pricing provisions or through a World Food Bank. The reporting requirement in the new farm bill may allow us to limit abnormally large orders that might create shortages rather than restricting sales to our regular customers. Such a program, however, would still have the disadvantages of the U.S. Government having to play God in determining which of our trading partners are to receive our agricultural exports and of well-fed Americans denying food to the poor nations.

Nevertheless, this administration should be taking every reasonable step to minimize the necessity for export controls. Export controls can have severe, long-term consequences. For example, while a temporary increase in supply of agricultural products may lower some food prices, export controls may also cause a decrease in farm production if continued for the long term. Limiting the farm export market diminishes the incentives for farmers to produce and, in the long run, this type of policy could result in higher food prices in the United States.

More importantly, no aspect of the administration's economic policies would have a more damaging effect upon this Nation's interest in expanded international trade or upon our political and economic relations with those nations which depend upon us for their own food supply, than unilateral use of export controls. Furthermore, such an international trade policy often is an invitation for similar retaliatory action by other foreign nations.

Agricultural trade is one area where this country has a strong competitive edge. Limitations on farm exports will have an adverse effect upon our future trade negotiations, especially with the European Common Market, as well as our efforts to reduce our trade deficit with foreign countries. Controls would create doubts in the minds of foreign buyers about the reliability of the United States as a source of supply for these products.

We cannot deal with inflation on a piecemeal basis or symptomatically. Farm exports make a major contribution to this Nation's balance of payments, without which we will be unable to import essential commodities in short domestic supply. The strength of the dollar lies in the balance. In no sense may export embargoes be regarded as a preferable substitute for effective preventative measures which may be taken now to encourage increased crop production while continuing a strong international trade policy.

Mr. DONOHUE. Mr. Chairman, I in-

tend to support this pending Export Administration Act amendment and I hope that it is overwhelmingly approved by the House in the interest of the great majority of our American consumers who are experiencing the burdens of the worst inflationary period that has occurred in our modern history.

I have particularly noted that in requesting the new authority of this legislation to impose export controls the President himself indicated that there was a direct relationship between rising food prices and food exports from the United States.

In this connection the President stated that—

One of the major reasons for the rise in food prices at home is that there is now an unprecedented demand abroad for the products of America's farms. In allocating the products of America's farms between markets abroad and those in the United States, we must put the American consumers first.

The President further singled out, as one of the major areas requiring special attention and action, food prices which have risen a staggering 43.2 percent on the Wholesale Price Index in the first 4 months of phase III.

Mr. Chairman, the accelerating increases in food and other basic necessities are unquestionably visiting extreme economic hardships upon the people in this country who are the least able to bear them, the poor, the elderly, and the low- and middle-income workers and their families.

In my conviction inflation control is the most imperatively important problem that is facing our Nation today and any sound and reasonable attempt and objective of relieving inflationary burdens from the strained backs and pocketbooks of American housewives and other consumers deserves to be supported.

Although the administration's interest in protecting the average American consumer from exorbitant food prices is said, by some, to have surfaced a little late, in view of present marketplace conditions, and somewhat like the closing of the barn door after the horse has run away, in view of the administration's criticized grain deal with Russia, this pending bill, nevertheless, represents a promising step in consumer protection and it will give the President a very timely and testing opportunity to try to regain a lost measure of the people's confidence through the fulfillment of his direct promise to "put the American consumers first."

There are other provisions in this bill designed to prevent the abuse of the power contained in this legislation and to require, with respect to certain agricultural commodities, the weekly publication of information on supply, domestic requirements and export commitments, that will encourage public confidence and prevent any repetition of international arrangements such as the much criticized and unwholesomely secretive Russian grain deal that so many authorities have seriously questioned as not truly being in the American public interest.

Mr. Chairman, from all the evidence

pertaining to this bill and the particular testimony of the President's personal concern for the American consumer it impressively appears that the objectives of this bill are in the true public interest and I, therefore, hope that it is resoundingly accepted as a cooperative good will effort of the President and the Congress to begin together a new era of effective service to the American people.

Mr. ANNUNZIO. Mr. Chairman, I am pleased to see that my colleagues have included in this bill a provision to control the export of logs. Recently we have experienced great hardships in several national industries as a result of the completely unrestricted export of essential raw materials. The poultry and livestock raising industries come to mind at once as examples of how the present administration permitted the unrestricted export of feed until very material damage was done.

It has been my understanding that the Export Administration Act of 1969 gave the executive branch of our Government not only the authority to act in cases of this type, but the responsibility to act promptly as well. I would like to state my disappointment in the apparent total inability of the administration to foresee the obvious results that will occur when they permit the unrestricted export of an essential raw material that is already in short supply.

An excellent example of just such a raw material is scrap iron and steel. The greatest amount of scrap iron and steel that has ever been collected in this Nation in any one of the last 20 years has been approximately 46 million tons. In each of the 3 years when the total demand for our scrap; that is, the domestic demand plus the export demand, exceeded 45 million tons, the price of scrap soared. Now, most people would recognize that such a sharp and sudden price increase for a basic raw material would indicate the presence of a shortage.

When this happened in 1969 and in 1970, however, the present administration refused to use the Export Administration Act and allowed the domestic foundry industry and a large segment of our steel industry to absorb huge additional costs that they could not recover in the market. In 1972 another world steel shortage started, causing the raw material scrap to again make a sharp jump in price by yearend. This situation has continued to deteriorate in 1973 to a point where the steel and foundry industry representatives have urged the Secretary of Commerce to impose a total embargo at once. The response from the Secretary would be humorous if it were not so tragic. On July 2, 1973, the Secretary of Commerce stated—and I quote—

Expected domestic purchases of scrap and expected exports are projected to total 54.4 million tons in calendar year 1973, 18 percent above the previous high year.

The Secretary knows that the total for the previous high year was achieved only by drastic price increases. Obviously, the supply-demand relationship was then under severe strain and the possibility of extracting an additional 18 percent this year is beyond comprehension. Under

such circumstances, strong and immediate action is mandatory and what did the Secretary do? Did he restrict scrap exports? Contrary to public opinion, he imposed no effective restrictions whatsoever. He simply asked the exporters to get a license before exporting and stopped the exporters from accepting additional orders for this year.

This latter restriction was in many respects meaningless as 1973 exports and export orders for the first 6 months were for a tonnage 67 percent above the total tonnage exported during all of 1972.

When the present administration fails to take timely and positive action in situations such as exist in this commodity at present, they are gambling with the jobs of people in my area and at extremely poor odds. I am sorry that those in the administration fail to recognize this. I am sorry that the administration continues to ignore the intent of Congress in the Export Administration Act. In view of this failure on the part of the Secretary of Commerce, I applaud our committee's action in regard to logs and commend their immediate attention to a strong export trigger mechanism to control the unwarranted export of scrap iron and steel.

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

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

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 3547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(e) of the Export Administration Act of 1969 (50 U.S.C. App. 2403(e)) is amended to read as follows:

"(e)(1) The Secretary of Commerce, in consultation with appropriate United States Government departments and agencies and any appropriate technical advisory committee established under section 5(c)(2), shall undertake an investigation to determine which materials or commodities shall be subject to export controls because of the present or prospective domestic inflationary impact or short supply of such material or commodity in the absence of any such export control. The Secretary shall develop forecast indices of the domestic demand for such materials and commodities to help assure their availability or a priority basis to domestic users at stable prices.

"(2) To effectuate the policy set forth in clause (A) of paragraph (2) of section 3 with respect to any agricultural commodity, the authority conferred by this section shall not be exercised without the approval of the Secretary of Agriculture."

"(3)(A) On Tuesday of each week, the Secretary shall publish in the Federal Register with respect to each group of agricultural commodities listed in subparagraph (B) and each category within each such group the following information:

"(i) estimated domestic supply (including any reserve and carryover) of such commodity as of the day preceding the date of publication of this information in the Federal Register,

"(ii) the estimated domestic requirements for such commodity by crop year,

"(iii) the estimated domestic use of such commodity by crop year as of the day preceding the date of publication of this information in the Federal Register, and

"(iv) the exports and commitments of such commodity by crop year as of the day preceding the date of publication of this information in the Federal Register.

"(B) The following is the listing of agricultural commodities referred to in subparagraph (A):

"Group I—Wheat

"Wheat—Hard red winter.
"Wheat—Soft red winter.
"Wheat—Hard red spring.
"Wheat—White.
"Wheat—Durum.

"Group II—Rice

"Rice in the husk, unmilled.
"Rice, husked, long grain.
"Rice, husked, medium grain.
"Rice, husked, short grain.
"Rice, husked, mixed.
"Rice, parboiled, medium grain.
"Rice, parboiled, long grain.
"Rice, parboiled, short grain.
"Rice, parboiled, mixed grain.
"Rice, milled, containing 75 percent or more broken kernels.

"Rice, milled, long grain, containing less than 75 percent broken kernels.

"Rice, milled, medium grain, containing less than 75 percent broken kernels.

"Rice, milled, short grain, containing less than 75 percent broken kernels.

"Rice, milled, mixed grain, containing less than 75 percent broken kernels.

"Group III—Barley

"Barley, unmilled.

"Group IV—Corn

"Corn, except seed, unmilled.

"Group V—Rye

"Rye, unmilled.

"Group VI—Oats

"Oats, unmilled.

"Group VII—Grain sorghums

"Grain sorghums, unmilled.

"Group VIII—Soybeans and soybean products

"Soybean oil-cake and meal.

"Soybeans.

"Group IX—Cottonseeds and cottonseed products

"Cottonseed oil-cake and meal.

"Cottonseed."

(b) (1) Section 3(2)(A) of the Export Administration Act of 1969 is amended by striking out "and" and inserting in lieu thereof "or".

(2) Section 4(c) of the Export Administration Act of 1969 is amended by inserting "or to reduce the serious inflationary impact of abnormal foreign demand" immediately after "scarce materials".

(c) Section 5(c) of the Export Administration Act of 1969 (50 U.S.C. App. 2404(c)) is amended by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), and—

(1) by inserting immediately after paragraph (1) the following new paragraph:

"(2) Upon written request by representatives of a substantial segment of any industry which processes materials or commodities which are subject to export controls or are being considered for such controls because of the present or prospective domestic inflationary impact or short supply of such materials or commodities in the absence of any such export controls, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such materials or commodities to evaluate technical matters, licensing procedures, worldwide availability, and actual use of domestic production facilities and technology. Each such committee shall consist of representatives of United States industry and government. No person serving on any such committee who is representative of industry shall serve on such committee for more than two consecutive years. Nothing in this subsection shall prevent the Secretary from consulting, at

any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees."

(2) in paragraph (4) thereof, as redesignated by this subsection, by striking out "such committee" and by inserting in lieu thereof "committee established under paragraph (1) or (2)"; and

(3) in paragraph (5) thereof, as redesignated by this subsection, by striking out "such committee" the first time it appears therein and inserting in lieu thereof "committee established under paragraph (1) or (2)".

SEC. 2. The Export Administration Act of 1969 is amended by redesignating sections 10, 11, 12, 13, and 14 as sections 11, 12, 13, 14, and 15, respectively, and by inserting immediately after section 9 the following new section:

"LUMBER AND LOGS

"SEC. 10. (a) For each of the calendar years 1973 and 1974—

"(1) not more than two billion five hundred million board feet (Scribner scale) of softwood logs may be sold for export from the United States; and

"(2) not more than one billion board feet (lumber scale) of softwood lumber may be sold for export from the United States; unless the Secretary of Agriculture shall certify, within thirty days of the date of enactment of this section, that there shall be offered for sale from national forests not less than eleven billion eight hundred million board feet (local log scale) of softwood timber during each such calendar year.

"(b) No unprocessed timber may be sold for export from the United States from Federal lands located west of the one hundredth meridian. Such limitation on exports shall stay in effect until the President determines that there is available for domestic use an adequate supply of softwood logs and lumber at reasonable price levels. Upon making such determination, the President may remove such limitation on a partial basis, up to an annual maximum of three hundred and fifty million board feet in the aggregate.

"(c) After public hearing and finding by the appropriate Secretary of the department administering Federal lands referred to in subsection (b) of this section that specific quantities and species of unprocessed timber are surplus to the needs of domestic users and processors, such quantities and species may be designated by the said Secretary as available for export from the United States in addition to that quantity permitted under subsection (b) of this section.

"(d) The Secretaries of the departments administering lands referred to in subsection (a) of this section shall issue rules and regulations to carry out the purposes of this section, including the prevention of substitution of timber restricted from export by this section for exported non-Federal timber.

"(e) In issuing rules and regulations pursuant to subsection (d) of this section, the appropriate Secretaries may include therein provisions authorizing the said Secretaries, in their discretion, to exclude from the limitations imposed by this section sales having an appraised value of less than \$2,000."

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

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 13, strike out the quotation marks.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, immediately after line 13, insert the following:

(3) (A) On Tuesday of each week, the Secretary shall publish in the Federal Register with respect to each group of agricultural commodities listed in subparagraph (B) and each category within each such group the following information:

"(i) estimated domestic supply (including any reserve and carryover) of such commodity as of the day preceding the date of publication of this information in the Federal Register,

"(ii) the estimated domestic requirements for such commodity by crop year,

"(iii) the estimated domestic use of such commodity by crop year as of the day preceding the date of publication of this information in the Federal Register, and

"(iv) the exports and commitments of such commodity by crop year as of the day preceding the date of publication of this information in the Federal Register.

(B) The following is the listing of agricultural commodities referred to in subparagraph (A):

"GROUP I—WHEAT

"Wheat—Hard red winter.

"Wheat—Soft red winter.

"Wheat—Hard red spring.

"Wheat—White.

"Wheat—Durum.

"GROUP II—RICE

"Rice in the husk, unmilled.

"Rice, husked, long grain.

"Rice, husked, medium grain.

"Rice, husked, short grain.

"Rice, husked, mixed.

"Rice, parboiled, long grain.

"Rice, parboiled, medium grain.

"Rice, parboiled, short grain.

"Rice, parboiled, mixed grain.

"Rice, milled, containing 75 percent or more broken kernels.

"Rice, milled, long grain, containing less than 75 percent broken kernels.

"Rice, milled, medium grain, containing less than 75 percent broken kernels.

"Rice, milled, short grain, containing less than 75 percent broken kernels.

"Rice, milled, mixed grain, containing less than 75 percent broken kernels.

"GROUP III—BARLEY

"Barley, unmilled.

"GROUP IV—CORN

"Corn, except seed, unmilled.

"GROUP V—RYE

"Rye, unmilled.

"GROUP VI—OATS

"Oats, unmilled.

"GROUP VII—GRAIN SORGHUMS

"Grain sorghums, unmilled.

"GROUP VIII—SOYBEANS AND SOYBEAN PRODUCTS

"Soybean oil-cake and meal.

"Soybeans.

"GROUP IX—COTTONSEEDS AND COTTONSEED PRODUCTS

"Cottonseed oil-cake and meal.

"Cottonseed."

(b) (1) Section 3(2)(A) of the Export Administration Act of 1969 is amended by

striking out "and" and inserting in lieu thereof "or".

(2) Section 4(c) of the Export Administration Act of 1969 is amended by inserting "or to reduce the serious inflationary impact of abnormal foreign demand" immediately after "scarce materials".

AMENDMENT OFFERED BY MR. COTTER AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. COTTER. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COTTER as a substitute for the committee amendment: In lieu of the matter inserted, insert:

(3) (A) The Secretary shall make public on a weekly basis the anticipated future exports of each group of agricultural commodities for which exporters are required to report. Such data shall be made public within 24 hours after the Secretary has compiled and aggregated the data from information submitted to him by such exporters, but no later than seven calendar days after the date on which such information is required to be submitted to him.

(B) The Secretary of Agriculture shall furnish the following information for each such group of agricultural commodities referred to in subparagraph (A) on a weekly basis to the Secretary who shall make such information public at the same time as, and together with, the data required to be made public by him under subparagraph (A):

"(i) estimated domestic supply (including any reserve and carryover),

"(ii) the estimated domestic requirement by crop year, and

"(iii) the estimated domestic use to date by crop year."

(b) (1) Section 3(2)(A) of the Export Administration Act of 1969 is amended by striking out "and" and inserting in lieu thereof "or".

(2) Section 4(c) of the Export Administration Act of 1969 is amended by inserting "or to reduce the serious inflationary impact of abnormal foreign demand" immediately after "scarce materials".

Mr. COTTER. Mr. Chairman, this amendment is the result of some questions raised by the Department of Commerce and by the Department of Agriculture on the reporting requirements contained in the bill. In the opinion of the Departments it was a cumbersome and unwieldy arrangement, simply that this material had to be published in the Federal Register. However, after consultation with both of the departments and with minority Members and majority Members I believe that we have reached an agreement whereby all who are concerned are pleased that this information would only have to be published in the form of a news release, and not in the Federal Register.

Mr. Chairman, I believe that there should be no controversy over this amendment. I worked closely with both the administration and with interested majority and minority members of the committee. My amendment would require the public reporting of export supply and demand data relative to agricultural commodities which are now subject to monitoring by the Commerce Department. This is similar to what is required by the present language in section 3 of H.R. 8547 which language, by the way, I offered in markup. But the amendment which I am offering today in the nature of a substitute would give the Secretary of Commerce more flexibility in reporting the data to overcome technical problems which the existing

committee language creates. My amendment does not diminish the requirements of section 812 of the new agriculture bill.

Briefly, my amendment does the following:

It requires the Secretary to make public on a weekly basis and in aggregated figures anticipated future exports of those agricultural commodities for which exporters are required to report. It is important to note that it requires aggregated data to avoid disclosure of private business information. It also requires the Secretary of Agriculture to make available up-to-date supply and domestic requirements and use of figures on those same commodities. The Secretary of Commerce shall then make these figures public at the same time and together with the aggregated export figures.

There is a real need for this amendment. The report of the Comptroller General on the Soviet grain deal stresses the need to upgrade agricultural commodity supply and demand data gathering, analysis, and dissemination. Now that the administration has moved to improve intelligence on the demand side of the equation by mandating weekly reports from exporters, I believe that it is important to provide a mechanism for the prompt dissemination and analysis of that data. My amendment does just that. It will provide the public and the Congress with up-to-date and understandable supply and demand data. This, in turn, will provide the public and the Congress with the ability to monitor Government decisionmaking—or nondecisionmaking—on export controls, thus making a repetition of the distortions caused by the Soviet grain deal less likely.

Having given you a brief outline of what my amendment does, and why I think it is needed legislation, let me briefly explain the technical changes between section 3 as it appears in the committee bill, H.R. 8547, and section 3 as it would read if this amendment passes.

Old section 3 required publication of this data in the Tuesday Federal Register following the Monday on which the Department of Commerce is supposed to receive reports from exporters. To give the Secretary of Commerce time to compile and aggregate export figures the new amendment requires the Secretary to make such aggregated information public no later than 7 calendar days after the day set for receipt of the base export information from exporters. And instead of using the cumbersome and expensive Federal Register publication route, new section 3 just requires the Secretary to make the information public by way of a press release. New section 3 also requires the Secretary to make the information public within 24 hours after compiling and aggregating the export information. Let us get it out quickly to cut down chances for market distortions based on rumor or insider information.

Old section 3 contained a list of commodities for which such information is to be gathered and released. New section 3 is more flexible, requiring public disclosure of export and related data on those agricultural commodities which in any given week are the subject of export monitoring by the Commerce Department.

Mr. Chairman, when I offered this amendment in committee, it was only a few days after the President had announced Phase III½ and transferred the essentially voluntary U.S. Department of Agriculture export reporting program to the Commerce Department where it became a mandatory program. I, as most of my colleagues, have been working diligently on the problem of ever-increasing food prices, but it became clear to me as early as last August 1972, that the U.S. Department of Agriculture and the U.S. Commerce Department were not collecting adequate data on U.S. food exports. These food exports contribute directly to higher food prices.

Since that time, I have been urging the Department of Agriculture and the Department of Commerce to collect export data so that they could make early decisions over when to stop overseas shipments in order to avoid higher U.S. food prices. My suggestions were met with inaction, and, I might add, not a little hostility. At that time, the Nixon administration, as exemplified in the statements of Secretary Shultz and Secretary Butz was looking toward U.S. agricultural exports to save our floundering dollar overseas and correct our balance of payments. Only after the most dramatic food price increases in over 20 years did the President finally call a halt to massive exports of U.S. food commodities by his actions on June 13.

I tried unsuccessfully from the time following the President's statement to the markup of the Export Administration Act to find out the plans and procedures that the Commerce Department was going to use to make public this export information. I had no success and felt that the importance of this data must be made public, and offered an amendment which I drafted the night before the markup of the bill. In offering my amendment, I indicated that I would be willing to work out any technical problems that my original amendment offered, but I wanted to make sure that there was a legal obligation that this data be made public in the shortest period of time possible and in the most intelligible form possible.

I was happy that the U.S. Department of Commerce and the U.S. Department of Agriculture finally agreed that this information should be made public and there should be legal requirements for immediate publication.

In offering this clarifying amendment, Mr. Chairman, I am doing it with the understanding that the Commerce Department will act to report this information even sooner than the 7 calendar day requirement. Second, I was assured that the data in this report would be uniform, that is that all figures would be in the same unit of measurement whether it be bushels, bales, tons, et cetera.

Before closing, I want to thank the help extended to me by the distinguished chairman of the subcommittee, Mr. ASHLEY, and the distinguished ranking minority member of the full committee, Mr. WIDNALL, for their help and assistance and the other interested members of the committee.

Mr. WIDNALL. Mr. Chairman, as far as the minority is concerned, we are

familiar with the substitute for the committee amendment, and it is acceptable to our side.

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

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

Mr. SMITH of Iowa. Mr. Chairman, I would ask the gentleman from Connecticut as to whether the Department of Agriculture said that they can comply with the weekly reporting requirement?

Mr. COTTER. Mr. Chairman, I have not had the opportunity to get clearance from the Department of Agriculture. I do have a letter in my possession in which the Department of Commerce states that they have no objection to the amendment at all.

As the gentleman from Iowa may recall, under the recently passed Agricultural Act of 1973 there is a reporting requirement. This is not more stringent than that, and I believe they can comply.

Mr. SMITH of Iowa. I am for a more stringent requirement than is in that bill on recording sales overseas. We could have one, I think, on a shorter than weekly basis, but I am talking about the part of this amendment which refers to weekly reports on estimated crop production in the United States. I just do not think it is possible to have that. I think it would seriously violate the integrity of our reporting system. They have enough trouble getting it on a 2-month basis now. They had a schedule back a few years ago, and they finally devised a system whereby it was organized by sections of the country. Each section has its own reporting system and then they come in the Department; they are then closeted in a room over there; nobody leaves until 3 o'clock in the afternoon. At that time they combine all of these statistics that vitally affect the market prices.

I do not think it is possible to do that on a weekly basis.

I wonder whether the Department of Agriculture has told the gentleman they can do that.

Mr. COTTER. They have not told me they can. They have been aware of this amendment for several weeks. My staff has been in touch with them during the past 2 or 3 days in an attempt to get some type of response from them. We have been unable to do so. We have been in touch with the Department of Commerce, and I am sure that between them they have discussed this, and the Department of Commerce is satisfied that it presents no hardship.

Mr. SMITH of Iowa. It is not the Department of Commerce. I am talking about the Department of Agriculture and the reporting system. Will it preserve the integrity of the reporting system?

Mr. COTTER. That I cannot answer.

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

Mr. Chairman, I rise in support of this amendment. The fact of the matter is that the gentleman from Connecticut has worked very hard and diligently with the administration in an effort to improve and make more satisfactory from the standpoint of the Department of Commerce and the Department of Agriculture the amendment

which was adopted by the committee. I think that he has done a fine service and a good job, and I am pleased to accept the amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Connecticut (Mr. COTTER) for the committee amendment.

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the final committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 14, strike out "(b)" and insert in lieu thereof "(c)".

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. HEINZ

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

The Clerk read as follows:

Amendment offered by Mr. HEINZ: Page 8, immediately after line 15, insert the following:

SEC. 3. The Export Administration Act of 1969 is amended by—

(1) Inserting immediately before section 1 the following:

"TITLE I—GENERAL PROVISIONS":

(2) redesignating sections 1 through 15, and all cross references thereto, as sections 101 through 115, respectively; and

(3) striking out "this Act" wherever it appears in sections 101 through 114 (as redesignated by paragraph (2)) and inserting "this title" in lieu thereof.

SEC. 4. The Export Administration Act of 1969 is further amended by adding at the end thereof the following new title:

"TITLE II—SCRAP IRON AND STEEL EXPORT CONTROLS

"SEC. 201. This title may be cited as the 'Scrap Iron and Steel Export Administration Act of 1973'.

"SEC. 202. On and after the effective date of this title, scrap iron and steel shall not be exported from the United States except in accordance with the provisions of this title.

"SEC. 203. When used in this title—

"(a) The term 'scrap' means all grades of scrap iron and steel which can be used for the manufacture of iron and steel products.

"(b) The term 'domestic consumer' means any individual, corporation, association, or other legal entity which purchases scrap to use in the United States as a raw material for the production of iron and/or steel products in his own manufacturing facilities.

"(c) The term 'receipts' means the total volume of scrap received by domestic consumers during a specific period, less any sale, shipment, or other disposal of scrap other than that consumed during normal production.

"(d) The term 'exporter' shall be the licensee named in the validated export license or the person, shipper, owner, consignor, or his properly authorized agent, entitled to make the exportation of iron and steel scrap under applicable general license in conformity with export control regulations, and who signs the applicable shipper's export declaration forms.

"(e) The term 'exports' means the total volume of exports for a specific period under Department of Commerce regulations, licensed by the Office of Export Control, or compiled under United States export statistics, whichever is greater.

"(f) The term 'Secretary' means the Secretary of Commerce.

"(g) The term 'shortage of scrap' means a volume of receipts plus exports of eleven million net tons or more of scrap during a period of three consecutive months; and the term 'critical shortage of scrap' means a volume of receipts plus exports of eleven million five hundred thousand net tons of scrap during a period of three consecutive months.

"(h) The term 'United States' means the fifty States, the District of Columbia, the Canal Zone, Puerto Rico, and all territories, dependencies, and possessions of the United States.

"SEC. 204. The Secretary is hereby instructed and authorized to issue such regulations as may be necessary and appropriate to carry out the purposes of this title.

"SEC. 205. PROCEDURE.—(a) As soon as possible after the closing of each calendar year quarter, and in all events by forty-five days following the close of such quarter, the Secretary shall determine if no shortage, a shortage, or a critical shortage occurred in the quarter and he shall make this determination a matter of public record.

"(b) If the Secretary determines in accordance with subsection (a) that neither a shortage nor a critical shortage occurred, no export restrictions will be imposed unless restrictions are still in effect from an earlier curtailment.

"(c) If the Secretary determines, in accordance with subsection (a), that a critical shortage occurred, he will take such action as is necessary to limit scrap exports for six months so that total exports for the six-month period will not exceed one-quarter of the preceding five-year annual export average. This export restriction is to start no later than the beginning of the third month following the quarter in which the critical shortage occurred.

"(d) When export restrictions are imposed under subsection (c) they may be removed at the end of the six-month period if the Secretary determines that no shortage existed in the calendar quarter that occurred during the six-month period. If, however, the Secretary determines that a shortage did exist in the calendar quarter that occurred during this six-month period of export restrictions the same level of export restrictions will remain in effect for additional three-month periods until the Secretary determines in accordance with subsection (a) that a shortage no longer exists.

"(e) When export restrictions have been imposed in accordance with subsection (c) and for the duration of the period that these restrictions are in effect the Secretary will determine and make a matter of public record whether a critical shortage occurred in each successive three-month period. The determination will be made each month by totaling the exports and receipts of the three most recent months. The first such determination will be made not later than four and one-half months after the imposition of export restrictions, and a new determination will be made within successive thirty-day periods for each month thereafter. If the Secretary determines that a critical shortage exists during and in spite of the export restrictions of subsection (c) he will take such action as is required to stop all exports within two months from the closing of the three-month period in which the critical shortage occurred.

"(f) In the event that a total embargo is imposed in accordance with subsection (e) it will remain in effect for a minimum of three months and for additional one-month periods until the Secretary determines in accordance with subsection (e) that a critical shortage no longer exists.

"(g) Notwithstanding any other provision of this title, the Secretary shall provide special exemptions from export controls imposed under this title with respect to regions

of the United States where the Secretary determines that supply of scrap is substantially in excess of demand.

"SEC. 206. Nothing in title II shall prevent the Secretary from restricting the export of scrap sooner or to a greater extent than provided for in title II.

"SEC. 207. Any domestic consumer or exporter who knowingly and willfully files a false report or exports any scrap in violation of title II shall upon conviction be fined not more than \$10,000 or imprisoned not more than one year, or both, for each violation."

Mr. HEINZ. Mr. Chairman, at the outset I would like to apologize to my colleagues for subjecting them to the reading of the amendment, which is quite lengthy. I would not have done so had we brought this bill up tomorrow, as was originally scheduled. This is so because I had intended to write my colleagues and publish relevant and important information in the CONGRESSIONAL RECORD.

The amendment to the bill before us, H.R. 8547, is an amendment that I think will help us in a particular problem, namely, that of bringing scrap steel prices—ferrous scrap prices, if you will—within reasonable levels.

Why do we need to do this? The Members, I am quite sure, are aware that the Commerce Department, dating back to July 2, imposed some export controls on ferrous scrap. Are not these controls sufficient? The answer is "no," and for several reasons.

First of all, the action of the Commerce Department was long in coming, and when it came I think it was an overreaction in some areas and inadequate in other respects.

Back in February of this year, I originally asked Secretary Dent to take action to license scrap steel exports. It took just exactly 5 months to get this accomplished, and during this period, scrap prices rose nearly 40 percent, a disastrous and astonishing increase. Having finally taken belated action, it has turned out that the Commerce Department regulations themselves are inadequate and inequitable. For example, there are areas of this country which are being unfairly affected by the reporting and quota system that has been imposed by the Commerce Department.

The Northeast and California are traditionally scrap surplus areas. Yet, the Department's regulations prevent these areas from supplying legitimate export markets with their scrap, scrap which unfortunately cannot be sold in our other domestic market because of prohibitively high domestic freight rates.

The next fact is that the controls that now exist have not worked in terms of keeping the price of scrap under control. Since February of this year, the price of scrap has gone from about \$38 a ton for No. 1 heavy melting scrap to \$54.66 a ton as of the beginning of last week. That was on Monday of last week, the last week of August—a week under phase IV's economic controls.

Unbelievably, by the end of last week, the price of ferrous scrap, No. 1 heavy melting grade, was up \$2.18 to \$56.84. A 4-percent increase in 1 week under phase IV, which is supposed to be a tough phase IV, is a tremendous increase. Yet the Department's "controls" are supposed to be working. They obviously are not. And,

if that 4-percent increase per week extends to the entire month of September, we will have an additional 16-percent increase in the price of scrap this month. I do not see how anyone in this Chamber can say that these existing policies are working, and that is why I am proposing a congressional alternative in my amendment to H.R. 8547.

Now, what does my amendment do? It provides for an automatic trigger mechanism based upon the total scrap purchased by domestic users plus exports. Under this amendment, the Secretary of Commerce would be required, as soon as possible after the end of each calendar quarter, but no later than 45 days following the close of such quarter, to determine whether a shortage of scrap exists. If a critical shortage exists, defined as a volume of exports plus domestic purchased scrap of 11.5 million tons for that quarter, the Secretary would be required to limit scrap exports for 6 months so that total exports for the 6-month period would not exceed one-quarter of the preceding 5-year annual export average. This restriction would start no later than the beginning of the third month following the quarter in which the "critical shortage" occurred.

One of the things that makes this amendment, I think, unique, is that it provides to the Secretary some necessary discretion with respect to geographic areas, such as the California and west coast area, and such as the Northeast, which are both scrap surplus areas. Under my amendment the Secretary would be permitted to designate such areas as surplus areas and exempt them from the controls otherwise mandated in the amendment.

Traditionally the argument against such measures as this is that they are inflexible and one cannot live with them over time. This would not be a hazard in the case of this amendment since my amendment is an amendment to the existing export control law, which expires next June 30. Therefore, the life of this amendment in effect, is a little less than 1 year. This will give us an opportunity to live with it and to see how well it performs.

I urge all the Members of the House to give this amendment serious consideration. I would add, if Members are concerned about the energy crisis, and they deem it desirable to encourage the use of recyclable materials because recyclable materials require much less energy to produce final product than with the original raw material itself, then there is additional reason to support this legislation.

In the case of scrap steel, what we are talking about, of course, is a product that is at least 95 percent pure steel.

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

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

Mr. HEINZ. Mr. Chairman, in the case of scrap steel we are talking about a product that is 95 percent pure steel.

When we talk about iron ore—and our best iron ore, I would add, is exported—we are talking about a product that is 40 percent impurities and 60 percent iron.

It requires enormous amounts of energy, which, as we all know, is in short supply, to remove these impurities. We can encourage the use of scrap steel by keeping its price reasonable, and in doing so, we act wisely to conserve energy. By constraining exports when necessary we can contain scrap prices to reasonable levels. This, of course, is the objective of the amendment I offer.

Finally, if Members believe it is important that we preserve the little companies, the small companies, the independent businessmen in this country, then there is one additional reason to support the approach of this amendment. Because of the structure of the steel industry, the small foundries and small producers of essential materials, such as steel reinforcing bars, small merchant bars, narrow strip sheet and wire and pipe products, are utterly dependent on scrap steel as their basic raw material. With the rise in the price of scrap, they cannot compete with the integrated producer making steel from ore. As a result these small- and medium-sized and even larger businessmen are cutting back operations or going out of business. This situation cannot be allowed to continue. Better controls are needed on scrap exports and for these reasons, I hope the members will support my amendment.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I support the purposes of the gentleman's amendment. I am sorry that the administration has let things get to the point where Congress has to consider taking this kind of action, which is drastic, but we are in a serious dilemma in steel scrap.

I would like to see this amendment go to conference. If it is too restrictive, we can modify it in conference. But something has to be done—and this is an approach to it.

Mr. Chairman, the actions of the Nixon administration in utilizing its broad powers to restrict exports of commodities vitally needed in the domestic economy have been rather typical of the administration's record of procrastination and ineffectiveness in all areas of economic stabilization. It is not the kind of record which builds confidence in the ability of our Government to meet our serious national problems at a time of rampant inflation.

Our present economic problems cannot be attributed to any failure on the part of the Congress to provide essential authority to the President to meet changing economic conditions. The opposite is true: Congress since 1969 has given President Nixon more power than any President has ever had in our history to deal with inflation, and with the spreading effects of soaring prices and developing domestic shortages. In most instances, we passed those laws on our own initiative, without Presidential request, and in fact, often over the objections of the President himself.

In 1969, we gave Mr. Nixon—as an unwanted provision of a bill he felt he had to sign—the broadest authority any

President has ever had to control interest rates and credit terms. Although we were bitterly condemned by the President at the time for granting this authority, he came back several years later, in 1971, and asked us to incorporate credit control provisions into the Economic Stabilization Act, and we did so. But he has never used those powers. One of these days, I am sure the pressure of events will finally persuade him he must use his statutory powers to control interest rates.

Similarly, we passed the Economic Stabilization Act of 1970 over Presidential objections, as an amendment to the then-expiring Defense Production Act. He attacked us bitterly for that, too. Exactly 1 year later to the day—August 15, 1971—he used that law to freeze prices, wages, salaries, and rents. There was, of course, no mention in his announcement that the economic controls he was instituting were enacted by Congress 1 year earlier over his opposition.

RELUCTANCE TO ACT ON EXPORT CONTROLS

The bill before us, amending the Export Administration Act, reflects a new chapter of congressional initiative and administration "catchup" in the recognition of serious economic problems. In the hearings of the Subcommittee on International Trade, we pointed out repeatedly to Administration witnesses that unrestricted exports of essential items of domestic supply were causing serious dislocations and hardships in numerous American industries and in the prices of basic commodities, which translated themselves into much higher prices for consumers and for business. But administration witnesses insisted, first, that they did not have sufficient legal authority to take action, and then contended that the situation was not as serious as we had described it.

Although we voted in the subcommittee and in the full committee to amend the law to clear up in the language of the statute any misunderstanding about the extent of administration discretion in moving to restrict excessive exports of certain commodities needed in the domestic economy, the chairman of the Subcommittee on International Trade, Mr. ASHLEY, and I joined in supplemental views in the committee report pointing out that the statute as it already exists does provide authority—authority which should have been used long before this—in regard to meeting the problem of excessive exports of steel scrap.

Suddenly, a few weeks ago, the administration discovered that it could indeed make some moves under existing law in dealing with excessive steel scrap exports, and although it has not taken very drastic steps it has at least, finally, reached the point of requiring licensing of such exports so that it can know the true extent of the magnitude of the exports. As in the case of the Soviet wheat deal and the excessive exports of soybean products and feed grains, it appears that the administration preferred to be kept in the dark as long as possible as to what was really happening. It apparently takes a monumental crisis to effectuate any action by the White House and the Departments.

ENDING THE "COVERUP" ON EXPORT VOLUME

The "coverup" has now been ended insofar as the steel scrap exports are concerned. To the extent that the Ashley-Sullivan supplemental views in the committee report accompanying H.R. 8547 have stimulated the administration finally to take some action, the country has been well served. I congratulate Mr. Ashley for his leadership on this matter as subcommittee chairman.

But throughout the long period when we were trying to get the administration to look at the ferrous scrap problem realistically, its response was that the situation was not bad enough to trigger the use of export controls. Yet, the demand for steel scrap had risen substantially, with a resultant serious inflationary impact, and exports were soaring. The American steel and foundry industries bore the brunt of this imbalance in supply and price, and, of course, the whole economy felt it.

This legislation now before us will clarify the intent of Congress that export controls can be used not only when there are both an excessive drain of a scarce material and a need to reduce the serious inflationary impact of abnormal foreign demand but also whenever either of these two considerations is present—either an excessive drain or a need to reduce the serious inflationary impact of abnormal foreign demand.

At the time that we were considering this change, many of my constituents were bringing to my attention the grave problem that was being created by the excessive exports of scrap iron and steel. In my district there are many who are employed in the nearby steel mills and in the ferrous foundries. They pointed out that the scrap iron and steel industry has not in the last 20 years collected and prepared more than 46 million tons of scrap in any 1 year, but that at present rates of scrap exports and domestic consumption, this year's total would far exceed any 46 million tons. They have shown me that in the only 3 recent years when scrap exports and domestic consumption totaled more than 45 million tons, the price of scrap has risen precipitously. This indicates clearly that a shortage situation is close at hand at the 45 million ton annual level, for after all, if the demand for scrap was not pushing the available supply, why would the price rise so quickly?

BELATED RECOGNITION OF ADMINISTRATION'S POWERS TO ACT

On July 2, 1973, the Secretary of Commerce stated in regard to scrap iron and steel:

... I have determined that the criteria set forth in the Export Administration Act have been met for this commodity.

On the same day he stated in a fact sheet that was also released:

Expected domestic purchases of scrap, and expected exports, are projected to total 54.4 million tons in calendar year 1973, 18% above the previous high year.

The fact sheet also stated:

Domestic prices for most grades of ferrous scrap are at their highest levels in 16 years.

The steelworkers and steel management people have pointed out that at present export and domestic scrap usage

levels, outages will occur later this year, and that the resulting unemployment will not be confined to the foundry and steel industries alone, but once started will spread to the many steel consuming industries in this country.

The actions taken by the Secretary, however, have not been very forceful, even though he finally acknowledged on July 2 that he had full power under the existing Export Administration Act—as we had insisted he had—to deal with this issue.

At least, however, he is taking steps to keep track of what is actually being shipped, so that the country will no longer be kept in the dark in this respect. Because of the administration's long delay in acknowledging it had the power to act, and the reluctant and rather timid action which was finally taken, the users of ferrous scrap in this country are now urging the enactment of stronger laws to mandate controls through an automatic triggering device. The pressure for such laws has been stimulated by the administration's poor performance in using the power it has.

H.R. 8547 DESERVES HOUSE SUPPORT

Mr. Chairman, the Committee on Banking and Currency has reported a bill which deserves House support and should be enacted. It ends the coverup. It opens up the essential information on export volume to the light of day so that we can find out what is actually happening while it is happening. It provides for publication of essential data. And it also provides full opportunity for consultation with affected groups and industries before exports of any commodity reach crisis proportions.

Recently, in response to a complaint from a constituent of mine about unrestricted price increases in certain agricultural commodities he uses in his product and which are in very short supply in this country primarily because of heavy exports, the administration advised me that the situation would have to reach "crisis proportions" before Government could impose export controls. Now, that is all wrong—it is opposite to the intent of the Export Administration Act. So, in this bill we clarify the language of the act to make it, shall I say, "perfectly clear" to the administration that it can act before the horse is stolen.

In other words, rather than waiting for foreign importers to deplete our supplies of any essential commodities to a dangerous level before anyone knows what has happened, this bill will encourage closer surveillance in order to head off a run on necessary supplies while there is still time to act.

Particularly noteworthy, Mr. Chairman, is the intent of the committee as expressed in the committee report that "abnormal foreign demand" be interpreted not necessarily as meaning that foreign demand must have increased or that there be some unusual characteristic of that demand. Rather, it means "abnormal" under the existing circumstances because of its effect on domestic prices. We are deeply concerned over inflation, which is one of the most urgent of all issues facing this country. Export

controls alone will not solve our problems, but must be used when needed as an important contribution to the solution of our economic dislocations. That is what we are trying to impress upon the administration in this legislation.

Mr. HEINZ. I thank the gentlewoman.

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

Mr. Chairman, this amendment is very similar to S. 2119 except that it inserts the concept of regionalism in an attempt to remove one of the great complaints against this kind of proposal. However, the amendment does rob the Secretary of Commerce of the flexibility he needs to administer effectively the Export Administration Act, because it requires him to take a specific action and to continue to take that action whether or not the cause for that action still is maintained.

Mr. Chairman, the concept of regionalism improves the amendment. The amendment has one other good quality; it expires in 1 year.

However, these are the only good things that appear in this particular amendment. Any time that we write into the law a trigger mechanism, we are automatically making trouble for ourselves, because that trigger may not be a valid mechanism 1 month or 2 months or 1 year later.

Mr. Chairman, the trigger approach is simplistic. It does not provide for changes in supply and demand; it does not provide for seasonal changes; it does not provide for shipping season changes. A quantity trigger mechanism does not take into account that there are different prices for different grades of scrap. We are accepting for ourselves a straitjacket if we accept the Heinz amendment, and we are providing for ourselves a specific regulation which should not be a matter of law. It should be a matter of discretion for the Secretary.

Mr. Chairman, the amendment also implies that there is a correlation between receipts and exports, because that is the basis for the trigger. In fact, receipts and exports may total more than the trigger mechanism, but still there may be no shortage.

The worst part of the amendment is that while most of us would prefer fewer controls, this particular amendment forces the strictest kind of control. It forces the Secretary to take a sustained action which we might not want to sustain later. Later situations might occur which would persuade us to abandon the controls which the Heinz amendment would not let us abandon.

Scrap prices are always volatile. Fifteen years ago they went as high as \$66; they are now at \$58. Under the law now existing, the Secretary of Commerce has applied the export controls. The Secretary has also negotiated with Japan, our largest customer, a voluntary deferral of scrap orders.

It is anticipated that under this combination of controls and negotiation, scrap prices will decrease before the end of the year.

Mr. Chairman, in my judgment this amendment is much stronger medicine

than the committee ever intended, and the committee did consider this kind of amendment when the bill was before it.

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

Mr. FRENZEL. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, with respect to the action of the committee, it is my understanding that, in fact, no such amendment was considered in the committee, although testimony was taken; is that not correct?

Mr. FRENZEL. The distinguished gentleman from Pennsylvania is correct. We considered the subject. We heard much testimony and decided in subcommittee that we would not adopt any such amendment.

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

Mr. FRENZEL. I yield to the distinguished gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, the gentleman makes a statement that the Secretary of Commerce has obtained more authority under this bill to take necessary action to prevent the erosion of our supply of scrap steel.

Would the gentleman care to explain why the Secretary, when it was apparent as early as February of this year, waited until July to announce any restrictions on scrap steel and then, in spite of these restrictions, in the last week past we still have although under phase IV increased prices? We have had a 4-percent increase in 1 week.

And finally, if the actions of the Secretary are so effective, why has he found it necessary, absolutely necessary as a means of controlling exports, to meet and prevail upon the Japanese to voluntarily defer their imports until the first of next year?

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his questions, and I think the answer is quite obvious.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

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

Mr. FRENZEL. Mr. Chairman, back in February the Secretary did not have the power under this particular law. That is why we are bringing this bill before the Members today. In February, under the law, the Secretary had to satisfy each of the three criteria which the chairman of the subcommittee, the distinguished gentleman from Ohio, has pointed out to us in his discussion of the bill. Under the powers that were available, the Department and the Secretary did about all they could do. As to why controls imposed on July 2 did not immediately lower the price, obviously nothing happens overnight in our complex international economic environment.

The reason we negotiate, of course, is we do not abruptly terminate longstanding commercial relationships. We do not attempt to wreck markets by export controls but, rather, try to get our international trading partners to work along with us.

Mr. Chairman, I urge that this amendment be defeated.

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

I will not take but a minute or two to oppose this amendment, and I do so with some reluctance because the gentleman from Pennsylvania has been most courteous in bringing before our subcommittee and to me directly his interest in this matter. I must oppose the amendment nevertheless.

As the gentleman from Minnesota has very effectively indicated, export controls on scrap have been imposed. The other reasons he set forth for his opposition to the trigger-type mechanism are shared by the members of the subcommittee and the full committee who did discuss this matter.

Let me say, Mr. Chairman, that the bill before us, as I tried to indicate in my earlier remarks, does seek a balance between trade and the stability of the dollar on the one hand and protection of the domestic economy on the other hand.

The amendment offered by the gentleman from Pennsylvania is not consistent with this approach. It does provide for an automatic, inflexible triggering mechanism which completely removes any discretion in the administration of exports with respect to ferrous scrap.

For that reason I would urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ).

The question was taken; and on a division (demanded by Mr. HEINZ) there were—ayes 11, noes 35.

So the amendment was rejected.

Mr. WILLIAMS. Mr. Chairman, at this time when we are considering amendments to the Export Administration Act, I think it is timely and appropriate to mention the serious problem that has arisen in our country from the unprecedented exports of ferrous scrap.

This year scrap exports coupled with foreign orders on hand as of July 1 total 12.4 million tons as compared to 7.4 million tons last year and 6.2 million tons 2 years ago. While the scrap exports have been soaring, domestic sales of ferrous scrap have gone from 32.9 million tons in 1971 to 38.5 million tons in 1972, and to an estimated 42.5 million tons in 1973. This year's total demand, both domestic and foreign, is 55 million tons as compared to a combined demand over the past decade not in excess of 46 million tons in any given year.

It is not surprising, therefore, that the cost of scrap has soared to more than \$57 per ton as compared to \$35 a ton only a year ago.

If the Export Administration Act is to have any usefulness at all, it would certainly be used to limit ferrous scrap exports at a time like this with heavy domestic demand, soaring exports, and ever-rising prices. Yet for months the Department of Commerce, although aware of this serious problem, took no action under the act.

They have now finally issued an order to limit scrap exports, but I fear it is not only too late, but that their order is inadequate. The Commerce Department has placed an embargo on exports of

ferrous scrap ordered after July 1, but it has not stated that orders on hand as of July 1 cannot be exported. This means that at a time when there is such a heavy domestic need for scrap, and prices are soaring, that the Government is still going to permit exports this year almost double that of 1971 and 1972.

I do not call this effective action. The Department of Commerce should halt the export of all ferrous scrap. This is what the situation calls for and such action is needed immediately.

I did not support the prior amendment on ferrous scrap and I do urge the Secretary of Commerce to make certain that action is taken to make certain that an adequate supply of ferrous scrap is available to our domestic steel producers.

We did have some testimony on the subject of controlling ferrous scrap exports during our Banking and Currency Committee hearings on H.R. 8547. We should have more extensive hearings on this subject the next time we take it up and it may be that we can develop more effective legislation.

AMENDMENT OFFERED BY MR. FINDLEY

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

Amendment offered by Mr. FINDLEY:

On page 2, line 13, add the following: "If the Secretary of Commerce shall prohibit or curtail the exportation of any commodity pursuant to this section, he shall immediately report such prohibition or curtailment to the Speaker of the House and the President pro tempore of the Senate. If either House of Congress shall by simple resolution disapprove of such prohibition or curtailment, it shall cease with the passage of said resolution."

Mr. FINDLEY. Mr. Chairman, the bill before us is essentially a pro-executive branch bill. It is a conveyance of great discretionary authority to the President to prohibit the export of private property or to curtail such export.

The amendment that I have offered is a pro-Congress amendment, one which would retrieve to some extent the authority and responsibility set forth in the Constitution to the Congress and do it by permitting by simple resolution either body of the Congress to negate the effect of an order that the Secretary of Commerce might issue in pursuance of this section of the bill.

If the Secretary of Commerce should prohibit or curtail the export of any commodity, then he must report immediately such action.

Either House by simple majority on a resolution may effectively veto that decision.

This of course has a precise parallel in the Government Reorganization Act, an act which gave the executive branch a tremendous realm of discretionary authority, but the Congress saw fit to retain in its own hands the right of either House to negate any such action the President might order.

Section 8 of the Constitution specifically provides that the Congress shall have the power to regulate commerce, and this amendment would help to keep the exercise of that power at least a step closer to the Congress and to the people.

What Congressman whose district has

been dealt an economic blow by the curtailment of exports would not want to have the opportunity at least to cast his vote in opposition to the decision that may have been made in the executive branch? Surely the Congress, the people's branch of the Government, is as deserving, if not more deserving than the executive branch to make, and to make stick, the fundamental decision that so directly affects the lives, the jobs, and the well-being of the people.

The factors to be considered here are mainly political and economic, how a restriction will affect the domestic economy, how it will affect the trading partners. These are the same issues that Congress deals with in almost every bill that has a fiscal effect, and almost every bill has such effect. Congress has been dealing with these questions for nearly 200 years, and Congress should at least retain the right of veto over a decision of the Secretary of Commerce which may have such a vital effect over the lives and prosperity and the well-being of so many of our people.

So, Mr. Chairman, I hope a majority will support this pro-Congress amendment to the bill now before us.

Mr. SMITH of Iowa. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. Chairman, I am going to oppose the bill whether this amendment is adopted or not, but at least I think the very least we can do to this bill is to adopt this amendment.

I think this is clearly an anticonsumer bill.

I heard the minority leader say that he was visiting with his constituents during the recess. I visited with my constituents also, both consumers and producers, and I found that what the consumers want are supplies.

What difference does it make if the Government has determined that the price should be set at a certain level if the supply is not available? What difference does it make if someone has more food stamps if there is no supply to purchase with those food stamps?

They want supplies. It is supplies that we need.

In addition to that, I visited the producers and I know what they are saying. They are saying that they have to grapple with the weather, they have various uncertainties, and now they have the additional uncertainty, to wit: Government edicts. They say, "We hate to pick up the newspaper, because we do not know what the Government did to us."

Producers have increased costs. Every time they go somewhere to buy some supplies they are paying higher and higher costs, and this is increasing their costs of production. They hesitate to put in increased crops and increase their production when they do not know what the Government is going to do about prices.

Then along comes another problem, in addition to price controls, rollbacks, boycotts, and all that stuff that they have been talking about, and now we are talking about the Congress sanctioning additional export controls.

So what the producers are saying is, "What are those knuckleheads in Washington going to do next?"

That is the reason this is a bad bill, no matter what is in the bill. The bill provides for the Congress sanctioning additional authority to the President of the United States to impose some kind of additional controls to keep the producers from getting their increased costs of production back.

What they are saying is, "Although prices are better than they were, I am just going to sit on my hands. I am puzzled about this whole thing. One cannot tell what the Government is going to do next. One cannot tell what the administration is going to do. Now we find the Congress is sanctioning this kind of a situation and adding to the uncertainties."

The people are so puzzled they cannot plan regardless what the price level is.

They are not going to increase production under these circumstances, and without increased production, the consumers are not going to have the supply they need.

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

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

Mr. BROWN of Michigan. I can understand the gentleman's concern, but I think his remarks are rather ungrateful and ungracious to an administration that has probably done more to establish the market for American farm products than any administration in history. I think it is almost incomprehensible that the gentleman in the well can continue to assert himself on the imposing of controls while this administration—and there will probably be administrations in the future—has worked to establish foreign markets that have created the situation where we might have to impose controls.

Mr. SMITH of Iowa. I do not think there has been anything in the last 40 years as destructive as imposing export controls. It says to the Japanese: "Do not depend on the Americans any more." So 2 weeks ago they went down to Brazil, and for about \$12 per bushel they contracted for 85 million bushels of soybeans. They are going to increase production in Brazil until they will have an alternate competitive source down there. Of course, when they get that situation, they will get their money back with a big return.

They will increase production in these other countries, because the signal has gone out: They cannot depend on the United States.

In addition to this, we have been telling the European community for 10 years: "Depend upon the United States." They did not have any tariff on soybeans, and we provided their soybeans.

France has been saying to others in the EEC: "Do not depend upon the United States. Keep a high protective tariff in the European Economic Community and depend upon us for agricultural production."

The export order gave the French more arguments than they could use for the next 10 years. This was the most destructive action, and it did more harm

than all the good work done to encourage exports by this administration, or the previous one.

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

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

Mr. MILFORD. I have listened to the gentleman several times on the floor, and I have respect for his logic, only this time it kind of escapes me just a little.

Like the gentleman, I am concerned with supplies. As I understand this bill, it is simply saying that we set aside what we are going to need in this country, and we export anything else we have.

I know in my district the millers, for example, have a fear that we have already sold next year's wheat to the point where we are not going to have enough to fulfill our own needs in this country. This is my concern.

Mr. SMITH of Iowa. This bill does not solve the wheat scandal. That damage is already done.

Mr. MILFORD. Mr. Chairman, I rise in support of this legislation and wish specifically to address myself to the provision of this bill which places much needed restrictions on the export of softwood logs and lumber for the remainder of this year and all of next. My district, the 24th of Texas, is virtually suburban in composition. The rapid growth of this area has necessitated the building of thousands of new homes to accommodate the folks moving in; therefore, the current shortage of good home building timber has forced the price of these homes higher and higher and has slowed construction to an uncomfortable state. Home construction in my district and throughout the Nation is a major business and constitutes the paychecks for a good many people. Without the lumber to build the homes, we have layoffs and unemployment and a slowdown of our economy which I must emphasize is none too strong at this time. I would like to quote from a few of the builders within my district who have written expressing their very disturbing situation.

Walt Parker, Jr., of Denton, Tex., writes:

I am a young home builder that would appreciate an answer. Why are we sending 85% of all our exported lumber to Japan when we need so desperately to lower lumber prices here? Prices for lumber are getting so high that it forces lots of us out of a meaningful trade . . . Won't you do something for us little guys that are trying to build America?

It pleases me greatly today to be able to answer Mr. Parker with a very firm "Yes, we will help." Another builder, Mr. Clyde Jackson of Dallas, Tex., implores us:

Please do all in your power to lower the cost of lumber. Lumber alone has driven the cost of housing, and subsequently the cost of living, out of sight.

Again, I am pleased to be able to say to a constituent and a friend that we are taking direct action to lower the cost of lumber to our homebuilders and are thereby taking action to lower our astronomical cost of living.

Mr. S. T. Peaden, another of our Nation's homebuilders, writes:

Our company is in the door business.

We . . . are vitally concerned with our Nation's short supply of lumber.

In response to the plight of our Nation, I wrote the following to the Honorable Frederick B. Dent, Secretary of Commerce:

DEAR MR. SECRETARY: It is becoming increasingly obvious that exports of logs and finished lumber are causing disruption of the domestic building industry and are increasing prices to the American consumer . . . Homebuilders in my District tell me that the supply of lumber is so limited that when they find a supplier who can meet their needs, they hesitate to even ask the price.

The administration has responded to this problem by asking this body for additional authority to control exports, including the softwood we have just discussed, and this body has responded in kind with this thoughtful and well-drafted document. With this in mind, Mr. Chairman, I would like to urge the passage of this legislation as an immediate and accurate response to this present and ever-growing need.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Iowa. Mr. Chairman, I request 3 additional minutes.

I think I probably was the first objector to that wheat deal when it was made. It was a bad deal at the time. It still is a bad deal, but we cannot correct it now. They not only sold too much wheat; at the time we did not have a wheat policy that could limit the amount to be sold according to supply and demand. They were selling strictly on a price basis.

That is what this bill also does—to determine export policy on price alone. The wheat deal was a bad deal. They sold all one class of wheat. In my opinion they sold more wheat than they had in that one class. What happens when we have these export licenses? We have already got a scandal that happened in the soybean deal.

There are only about six big export companies in the world. The minute we impose export controls those companies have a monopoly on supply that is available outside of the United States. They will make millions and millions and millions of dollars on those export rights. They can then buy it cheaper in the United States. They have the right to sell whatever is going to be sold overseas, so they make more at both ends.

A big scandal is now developing in the situation on who held these export rights at the time they were imposed about 6 weeks ago.

The gentleman is mistaken when he described what the bill does. What the bill does is say that if the President or Secretary of Commerce does not like the price, no matter what the price is, they can put on export controls. That is what produces the uncertainty which makes producers withdraw from increasing production.

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

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

Mr. ROUSSELOT. All this amendment does, as I understand it, is ask the consent of Congress. Is the gentleman objecting to that?

Mr. ASHLEY. To whom is the gentleman directing his question?

Mr. ROUSSELOT. To the gentleman.

Mr. MILFORD. Is the gentleman speaking of the amendment?

Mr. ROUSSELOT. Yes.

Mr. MILFORD. I have no objection whatever.

Mr. SMITH of Iowa. What I am saying is, do not overlook the psychological impact. If we want to increase production in this country, we must not discourage it with a bill like this. In World War II we put a floor high enough to encourage the incentive to produce. But now they have jerked the floor out, there is no floor, and what is being tried is to put a ceiling on. It would result in discouraging the increases in production that we need. For that reason I say this is clearly an anticonsumer bill.

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

Mr. Chairman, after having listened to the booted discussion of this legislation, I find myself with some misgivings about the manner in which it comes to the floor. To divorce it from our general trade program at a time when we are nearing the target date for reporting a trade bill does not strike me as being perhaps the best procedure.

At the same time I believe we must take a look at the logic, the reasoning and the timing behind this proposal. Certainly the President would not—in fact, it is inconceivable to me that any President would impose export control at the expense of a favorable trade balance unless, and I repeat unless, the domestic economy and the interests of the American consumer became the overriding consideration. To suggest that this would not be the sole reason just begs logic.

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

Mr. Chairman, as I said in my remarks during general debate, the Export Administration Act of 1969 is based upon competing if not conflicting findings of fact and statements of policy.

As a nation, we have an understandable and legitimate interest in assuring the availability for domestic use of a wide range of goods and commodities at reasonable price levels.

At the same time, it is also our purpose and policy to encourage trade with all countries with which we have diplomatic or trade relations.

The Export Administration Act of 1969 says, in effect, that export trade shall not be inhibited or controlled except and to the extent necessary to protect the domestic economy from the export drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand.

Since 1969, this language has been narrowly construed and is seldom used.

Mr. Chairman, the decision of Congress in 1969 to establish criteria to be met before export controls can be imposed and to allow the President to factually determine when the criteria are met has worked and it has worked to the advantage of our export interests as well as the interests of our domestic consumers.

But the sponsors of the amendment are not satisfied.

They have no complaint when the President's determination is against export controls but they want to be able to negate the President's findings in the rare instances when he determines that export controls are necessary to protect the domestic economy.

Actually, the amendment is even more narrowly drawn. It applies only to controls on agricultural exports.

It is perfectly willing to accept a finding by the President with regard to ferrous scrap, for example, or any other commodity that may be found to warrant export controls—but not agriculture.

So what they are proposing is in fact a discriminatory procedure for imposing constraints on exports which gives agriculture a way out but no other sector of our economy.

Also under the amendment, the President could determine the need for limited export constraints—as at the present time—but either the House or Senate could veto this finding within 30 days.

Thus the amendment offers two bites at the apple instead of the one already in existing law which provides that any exercise of export control authority under the act may be terminated at any time by concurrent resolution of Congress—I might point out that this authority was made use of in 1972 in the case of controls on cattle hides.

The amendment should be defeated, Mr. Chairman, because it seeks to turn what should be an economic decision based on economic self-interest. If this amendment is adopted, domestic producers and exporters would refrain from selling in the domestic market while they undertake a major lobbying effort in one or the other House of Congress, wherever their chances appear best.

Obviously the uncertainty surrounding continuation of controls would trigger enormous speculation here and abroad in the future market for the commodities involved—to the detriment of our own economy and the economies of our trading partners.

Finally, the amendment should be voted down because export controls on agriculture commodities are only imposed when absolutely necessary and after approval by the Secretary of Agriculture. As the President stated in his phase IV announcement of July 18:

Permanent control of exports is not the policy of this Government and we do not intend at this time to broaden the controls beyond those now in force.

In light of this, it should be obvious that decisions to impose controls on agricultural commodities are reached only after the finding of absolute necessity in terms of our own domestic economy and therefore such decisions should not be subject to any greater review by the Congress than other actions taken under the Export Administration Act.

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

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

Mr. FINLEY. Mr. Chairman, I thank the gentleman for yielding. I can understand why he would be confused about the effect of the amendment because in

the letter circulated to Members by mail yesterday it has the word "agricultural" before the word "commodity."

However, on review, we did not want to single out just agricultural commodities, and as read by the Clerk, the word "agricultural" does not appear. Therefore, the amendment would apply to any commodity under this section.

Mr. ASHLEY. Mr. Chairman, I appreciate the gentleman making that correction. I would certainly say that this makes the amendment several iota less pernicious than it otherwise would have been.

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

Mr. Chairman, they always say that fools rush in where angels fear to tread, and of course tonight I will play the part of the fool.

The whole question and the disturbance in this country stems from a very antiquated trade policy. Trade essentially between nations originally meant that nations that had a surplus of goods needed by other nations would be traded for that product that nation had the surplus of, and one nation would get from another that had a surplus of need, but it now has become strictly a commercial venture with little or no regard of the internal problems of the nation concerned.

The Members talk about surplus agricultural products. Do they not know that the greatest piece of machinery, manufacturing machinery that has ever been put on earth is a cow? Cattle. It consumes 600 acres of grass, turns them into products such as milk and cream and meat. We do not have now, nor have we ever had a surplus of feed grains. Balance the meat imported into the United States against the consumption of domestic cattle or the feed grains we sell, and there is no surplus and never has been, and the record is proven by one of the greatest homegrown domestic farm philosophers in our history, a man by the name of Wilkins.

We have gotten to the point in this Nation where we are so dependent upon foreign products that our domestic economy is closer to the breaking point than at any time since the inception of the democracy. In a war, we could no more defend ourselves against our enemies than fly on a kite to the moon.

Let me give the Members an example. Today, what is the scream in the hay growing States? "We cannot buy enough baling wire to bale a surplus crop or a great crop of hay; fresh hay."

Why?

Because we gave up the productivity of baling wire to the Japanese. Then we put an embargo on chrome from Rhodesia. By doing so we gave the Japanese an opportunity to come into a higher price steel market, the specialty steel market. So they quit producing baling wire, which is a cheaper steel product. And today the farmers cannot buy baling wire.

That is just one item.

We cannot buy meat. Why? Because we sell our feed grains to foreign producers of meat cheaper than we sell them to the feed lot producers in the United States. American feed lot producers are

situated in Central America, in Colombia, buying feed grains from the United States, feeding it to cattle, and then shipping back to the United States and selling in the marketplace without distinguishing markings telling where it comes from, at a price cheaper than they can produce it in the United States.

Do Members know that tomorrow night, if all of a sudden we were to hit all of the baseballs out of the parks of the great national pastime, and they shut off the imports from Haiti, there would not be a ballgame on Sunday?

Some say that is nothing. Perhaps it does bring a smile to some faces. But that little item must demonstrate a lack of productivity of baling wire, a lack of productivity of baseballs, a lack of productivity of many items.

In fact, if tomorrow they shut down the lanes of commerce between this and other nations 65 percent of the Americans would go barefoot.

Some have laughed at some of the statements made on this floor by myself and others over the years. I said the Kennedy round was the greatest economic mistake this Nation ever made. I said it then and I repeat it now.

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

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

Mr. DENT. Mr. Chairman, if we pass this new proposal then we shall have to measure the damage. If Members do not believe I am right, then let me give some facts: 7,994,000 checks went out last week for unemployment compensation in the United States; 16,123,000 persons are on welfare in the United States.

A total of 152 million pairs of hands, out of our population of 210 million, are reaching into the till of the United States, right now, today, this hour. Surely, many of them are the same hands, but there are 152 million pairs of hands.

Why? Because we do not produce for ourselves.

We talk about balance of payments. How do we measure balance of payments with the fluctuations of the currencies around the world? There is one balance we must maintain if we want to survive.

As I feel the shadows gathering in on the life God has given me, I can see the darkest clouds gathering around my grandchildren that have ever been visited on a free democracy in the history of the world. Why? I will tell the Members why. We care not about a simple economic fact that has never been refuted, nor can it be refuted by any person. What is that simple economic equation? Production will flow to the cheapest area of production and sales will flow to the highest cost nation. So every day ships pass each other, bringing cheap shoes from Greece and Italy and France and Korea, and now from Malaya, and shirts from all over the world, to here, bringing our nice, fresh, clean cotton.

By the way, it might interest the Members to know that just within the last month information has come that the Japanese have bought the next three years' complete futures of all the wool

in New Zealand and Australia. We fell into the Japanese tricks of synthetic products, synthetic goods, so we bought all the double-knit suits in the world.

Mr. Chairman, I have been all over this world many times in my life. I do not find double-knits anywhere; I do not find synthetics too much. But I do find them here in the United States. And so the futures went down, and the Japanese bought them up.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

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

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I wish to congratulate the gentleman from Pennsylvania (Mr. DENT) because he has made what seems to me like innocent commercial transactions of the kind that have been going on for 200 years sound like one of the most sinister things imaginable.

I just wonder why we have not been ruined a long time ago if what the gentleman says is true.

Mr. Chairman, I want to ask the gentleman a question—

Mr. DENT. Mr. Chairman, I will tell the gentleman why we have not been ruined.

Mr. LONG of Maryland. Mr. Chairman, let me ask the gentleman this question—

Mr. DENT. Mr. Chairman, let me answer the gentleman's question. He should not ask a double-barreled question unless he pulls both triggers at the same time.

As to why we have not been ruined, I will tell the Members why. It is because 28 million Americans are drawing social security.

Mr. LONG of Maryland. Will the gentleman—

Mr. DENT. Mr. Chairman, let me complete my statement.

And so we have the moneys we borrow every year to keep flowing into the channels of commerce to buy the products which we do not make.

Now, the gentleman may go ahead.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield.

Mr. LONG of Maryland. Mr. Chairman, I understand the gentleman's feelings about the bill, but I believe we are talking now about the amendment offered by the gentleman from Illinois, which is simply to ask for congressional approval of something.

Now, the gentleman, as I understand it, has always been a strong supporter of Congress and entertains the feeling that Congress ought to have something to say about how the country is run.

Does the gentleman object to the amendment offered by the gentleman from Illinois (Mr. FINDLEY)?

Mr. DENT. No, I do not object to it. I simply rose to take the 5 minutes to speak to the Members.

Mr. LONG of Maryland. Does the gentleman support the gentleman's amendment?

Mr. DENT. I will not say I support it, because I am not so sure a free trader like him could have any support from me under any circumstances.

Let me just say to the Members that they laughed in the forum of Rome, they laughed in the Reichstag, and they have laughed in every parliamentary body on the face of the earth just before it came to an end.

Mr. Chairman, I know the Members think I am a prophet of doom. No, I am not a prophet of doom. I am just a man who knows that you cannot measure this country's wealth by the production produced elsewhere. We have got to produce our own goods.

There is only one simple formula for any economy: Production, distribution, and consumption. This Nation is trying to live on two legs of that three-legged stool. We are trying to live on the distribution and consumption of products not produced here. I wonder how many of the Members know what the volume is by pound of imports against exports.

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

Mr. Chairman, I would like to compliment my friend, the gentleman from Illinois (Mr. FINDLEY), for offering this amendment in an effort to improve, if possible, this piece of legislation.

Mr. Chairman, for the last 30 years approximately, in common with most Members on my side of the aisle, I have been inveighing from time to time against delegation of authority to the Executive. I have also, in common with these Members, done quite a little thinking about free private enterprise, and I was for it.

Now I come down here and become a Member of the Congress of the United States and find to my sorrow and regret that we have a Republican administration, if you please, which is asking for more Executive power and for a controlled economy. I find that a little ironic.

I turn to the other party over here. For the same 30 years, of course, they have been giving the Executive wide, sweeping powers and they have been voting for a controlled economy.

But lately they have been talking the other way; they want to take the controls off, they say, and do not want to give power to the Executive, and they want to reassert the powers of the Congress.

I almost get kind of hopeful about them, Mr. Chairman, occasionally, until I see what they actually do. In spite of the talk, they are still bringing in this kind of a bill; they are still advocating giving the President this power, and they are still voting for a controlled economy. The whole thing is a little ironic on both sides of the aisle.

It could almost make a man cynical if he were not old enough to be, perhaps, a little bit of a philosopher. But now you take the amendment offered by the gentleman from Illinois. It will not make this bill a good bill, but at least this amendment will say that, before

some governmental ukase can tell the American citizen where, how, and whether he can sell his products, at least his elected representatives will have something to say about it.

Now, if that is not sound doctrine, I do not know when it became unsound. So I support the amendment offered by the gentleman.

Mr. BLACKBURN. Will the gentleman yield?

Mr. DENNIS. I yield to my friend from Georgia.

Mr. BLACKBURN. I thank the distinguished gentleman for yielding.

The logic that he has just propounded was the same that I had when I voted against the bill when it came out of the committee. I intend to support the amendment offered by the gentleman from Illinois, because it helps to weaken the bill in the sense that it will take away some of the discretion we are seeking to give the executive branch of the Government. I will support the amendment and fully intend to vote against the bill on final passage.

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

The question before us right now is not whether this bill should pass or not, but the question is whether we should give Congress the power to nullify the actions of the Secretary of Commerce.

The reason why I am against the amendment is, without saying anything about the bill itself, if we are going to have a bill, it should be a workable bill. The way the bill is drafted right now the finding as to a commodity being in short supply is done by the Secretary of Commerce. But he only does it with the consent of the Secretary of Agriculture. Then the bill also provides that there shall be appointed on request of the industry a committee consisting of members of industry and members of the Government who shall make a finding as to whether or not a commodity is or is not in short supply or whether its export would or would not be advisable.

This act goes on to say that this committee shall hear public witnesses. I am sure after a painstaking public hearing by this industry committee if, in their infinite wisdom, they decided that it would be in the best interests of this Nation that an export would not take place, then they would certainly make such recommendation. But after that has all been done the Secretary of Commerce makes the finding, and then he must have the consent of the Secretary of Agriculture.

I say if you then have to go to the Congress to do it, you might just as well forget about the bill and just pass a simple resolution and say Congress shall hold hearings and determine what crops or commodities are in short supply and make a finding.

That is in effect what this amendment does.

Now, here is another defect in this amendment. There is no time limit for congressional action. It just says that Congress shall override or veto whatever the Secretary of Commerce has decided.

There is no time limit. Congress could wait a year just by simple inaction. Congress could do nothing about it.

Second, the veto power is a rather narrow veto power. It ought to be, and I think it should be required by both the House and the Senate. That is what we did in the hide export bill. That seemed logical.

Also, as it is written, as I have said, it would make it virtually impossible to administer any export control program. It overlooks the fact that this administration is dedicated to the expansion of exports, not the curtailing of exports.

So I still feel that if the bill is going to pass that as it is now it is a well-written bill. There are safeguards in it. The Secretary of Commerce cannot act without the consent of the Secretary of Agriculture. Then they must have a finding by this committee which has been set up by virtue of the bill.

So I think we are going a little bit too far, and are literally hamstringing the bill. We are making the bill totally unworkable. Therefore, I think we should defeat the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the amendment.

Mr. Chairman, I thank the gentleman from Pennsylvania for bringing to my attention this remarkable piece of due process contained on page 5 of this bill.

An exporter, a business whose very life-blood may depend on exports, has the great assurance that the Secretary of Commerce may appoint some other members of industry to determine whether or not he is being injured in his business by halting his exports. Then that advisory committee advises the Secretary of Commerce as to whether or not the export should be denied.

As the gentleman from Pennsylvania said, there is a way that the Secretary can, if he wants to, consult other persons. But the only thing that is required is that the committee consist of representatives of United States industry and Government. The people of the United States are not noticed except to say that the Secretary is not prevented from consulting someone else.

Now, what is wrong with requiring that this question be subject to review by the representatives of the people in either the U.S. House of Representatives or the Senate? Why should not the people speak through their regular, authorized Representatives instead of having this inadequate type of review when a man's business is being put in jeopardy by denying him the right to export? Why should that man be subject to other members of the business community selected at the sole discretion of the Secretary of Commerce? What has happened to our concepts of due process when we are talking about permitting that kind of authority by one businessman over another businessman?

All the amendment does is it says that ultimately if either House decides to negative the act delegated to the President or to the Secretary of Commerce, that House may do it.

It seems to me this amendment is infinitely reasonable and it is particularly obvious that it is needed in view of this wholly inadequate process.

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

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

Mr. HANNA. Mr. Chairman, I thank the gentleman for yielding. I think that the gentleman from Texas should recognize the fact that under the existing law the decisions now are reviewable by Congress, by a joint resolution of both the House and Senate. That is still in the law. So there is a reference to those Representatives of the people sitting here in Congress. The question that this amendment raises is whether we should make that responsive to just one House.

I think that legislative history of this kind has indicated that wherever this question has arisen we have always faced it on the basis of the joint action of the two Houses which represent the total sovereignty of the people as set up in the Congress. Is that not correct?

Mr. ECKHARDT. Is that correct? I should like to know.

Mr. ASHLEY. Yes, that is correct. Under the existing Export Administration Act of 1969 provision is made for a veto of the exercise of authority with respect to the imposition of export constraints by action of both Houses of the Congress.

Mr. ECKHARDT. Will that reach to a veto of provisions of H.R. 8547?

Mr. ASHLEY. Yes.

Mr. ECKHARDT. In every respect?

Mr. ASHLEY. Absolutely. Let me say to the gentleman that this is precisely what happened in 1972 when the Congress acted to lift the imposition of controls on exports that was placed by the administration on cattle hides, so that we have exactly the situation that the gentleman describes that has taken place, and I feel very strongly, as does the gentleman from California, that the country is better protected if the concurrent action of both Houses of the Congress is necessary, because if the action of only one body is required, it does lend itself to the most voracious kind of lobbying and logrolling.

Mr. ECKHARDT. Is the gentleman saying that if the amendment included the concurrent resolution of both Houses, it would not alter existing law?

Mr. ASHLEY. That is precisely what I am saying, precisely so.

Mr. ECKHARDT. I should like to ask the author of the bill if that is the way he understands that.

Mr. FINDLEY. I cannot believe that for a minute. In fact, I believe the gentleman alluded to the change in the export limitation on hides. As I recall the circumstances, this was done as a part of a bill which had to be signed by the President to become effective, so the concurrent resolution would not be effective in the prohibition or curtailment of the Secretary of Agriculture.

Mr. ASHLEY. There is a difference of opinion on that.

Mr. ECKHARDT. The significant difference between present authority to

curtail executive authority by concurrence of both Houses and the Findley amendment, which provides for a legislative veto by either House, is that whatever requires the concurrence of both Houses, other than perhaps that affecting internal matters only, is subject to veto by the President. The legislative veto in the Findley amendment would not be so subject to veto by the President. It is a reservation of a condition subsequent to the passage of the legislation which would limit its effect.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, this amendment is a very beneficial and necessary one. The question has been asked: How are we going to improve and protect our balance of payments? And the very practical answer in today's circumstances is by continuing to increase our agricultural exports. They expanded from about \$8 billion a year to between \$11 and \$12 billion just last year, and probably will reach between \$15 and \$16 billion this year, unless the executive branch of Government resorts to further ill-considered actions such as last June's embargo on soybean exports.

Those exports were developed in a major part through the efforts of American farmers to promote those exports through such devices as the checkoff charged against them in many States. It was, indeed, a breach of faith by the administration with those farmers when the soybean exports were totally embargoed for a few days in June and then only lifted by about 50 percent. We simply cannot have foreign markets encouraged and developed if we are going to pull the rug out from under our foreign customers, as was done in June.

We need this amendment to restore confidence in our foreign customers. We need those foreign customers if we are going to be able to have a viable agricultural industry in this country.

I should strongly recommend to all Members that we vote in favor of this amendment which is very necessary, indeed. Existing law was not adequate to protect our industry and agriculture when this very arbitrary action was taken last June. I think we need the amendment to protect against such a thing happening again.

Mr. BURLISON of Missouri. Mr. Chairman, this bill to increase the authority of the President to levy export control should be defeated. The thrust of the bill amounts to unfairness to the farmer. It is unfair to him income wise. As I noted in some earlier debate with the distinguished minority leader when the rule was being considered, only a short while ago the soybean farmer was receiving \$2.40 a bushel for his production. This was a dollar a bushel or so less than he was getting for it a quarter of a century ago. Now we find the domestic and world demand for soybeans being such as to permit the soybean farmer a fair return for his production. One of

the first steps taken then by this administration is to cut off the export market. This has hurt the price of soybeans. It has also hurt our stature as an exporting country in agricultural commodities and has further eroded our trade deficit and balance of payments posture.

In fairness, should not our farmers who have received inordinately low prices so long, at least get for his production what foreign people are willing to pay for it? Is not this particularly so in view of the great economic prosperity of America in comparison with the standard of living and incomes of foreign peoples?

If you do not accept my thesis of export embargoes on agricultural commodities being unfair to farmers, my argument then is that the controls authority under the present law is sufficient. It has been noted throughout the debate on the rule and on the bill that soybean exports have been terminated. A number of other related commodities have met the same fate and there are threats of yet further actions against additional agricultural commodities. Let me quote from the Export Administration report for the second quarter of 1973 which has just been printed and released by the Secretary of Commerce—see attached pages 66-67 of said quarterly report including as a quote as indicated on those pages. So it is obvious that the President already has the authority to do anything conceivable in the way of restrictions on exports. Why give him yet more authority just at the time when the Congress is trying so desperately and so futilely to retrieve from the executive branch of the Government the powers and prerogatives that we have surrendered in recent decades? The bill should be defeated, but prior to that, the Findley amendment should be adopted.

The quotation from pages 66 and 67 of the quarterly report is as follows:

On June 13 a . . . monitoring system was put into effect for orders for export and exports of certain grains, oilseeds, and oilseed products in amounts of \$250 or more.

As a result of the excessive foreign demand for soybeans, cottonseed, and various oil and meal products thereof, these commodities were placed with the approval of the Secretary of Agriculture under a validated license requirement on June 27 for shipment to all destinations, including Canada. A warning of the possibility of restrictions on exports of corn was also given. The reporting requirement announced on June 13 was expanded on June 28 to include those products placed under validated license control.

Information continues to be obtained semiannually from walnut producers concerning current trends in production and consumption of walnut logs, lumber, and veneer.

Shortly after the end of the second quarter 1973, the licensing systems for exports of soybeans, soybean oil-cake and meal, cottonseed, and cottonseed oil-cake and meal were announced on July 2. Also on July 2, exports of ferrous scrap were placed under validated license control for all destinations, excluding Canada and details were given pertaining to the licensing system for exports of this material. On July 5, validated license requirements were imposed on ex-

ports of some 41 additional agricultural commodities for which the Secretary of Agriculture determined that export demand was directly related and transferable from the demand for soybeans and soybean oil-cake and meal.

The monitoring requirement was extended July 9 to include orders for export and exports of cotton in amounts of \$250 or more. Further changes in ferrous scrap licensing were made on July 27 when the validity of licenses was extended and a licensing system for August exports was announced. Licensing policies for oils, protein feeds, and animal fats were revised July 28 to establish quotas and permit licensing of certain orders accepted after June 13. At the same time, a licensing policy was established for peanut meal containing aflatoxin and for edible peanuts. On August 1, a licensing policy was announced for licensing of soybeans against orders calling for September shipment.

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

Mr. Chairman, it seems we are back in June again and arguing the farm bill. The farmers are doing pretty well in this country right now. At least my housewives think the farmers are doing pretty well when the housewives go to the market and find the prices they have to pay for flour and bread and meat.

We are talking about how the poor farmer is being hurt. I think the poor farmer is doing very well in this country and in California. In the farm bill we passed we even put a floor on it so they cannot go below the floor. So the farmer has it both ways.

I used to represent a farm community when I was in the State legislature. I found that we never could find a happy farmer because no matter what we did for them they would always be unhappy for one reason or another.

In this bill we are trying to develop export controls. We have had them for 20 or 30 years. Now at a very difficult time in our country we have to use the export controls. We have to get a balance between the export demand and domestic demand and the export needs and domestic production. That is no reason why they should raise the price of soybeans 15 times because we can grow them cheaper. The same applies to the price of wheat. Should we raise the price of wheat up to the level of the highest price we would find we can get in the world today? I do not think so. That should not be the criteria for what the U.S. housewife should have to pay for her food.

We merely in this simple bill change an "and" to an "or." We simply extend the act we have had since 1947. It is desperately needed if we are to get any balanced relationship between our domestic and foreign markets.

I think it would be a drastic measure to single out agriculture and say that either House can pass a resolution doing away with what the administration decides should be done. I ask this House to vote this amendment down and get on and vote for this final passage of this bill. It is needed right now, today.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chair-

man, I have listened to almost all of the arguments made by those that favor this amendment to this proposed legislation. In most every instance, they have indicated that they basically oppose the fundamental legislation, while they support this amendment for reasons that they have expressed.

If a Member believes in the legislation, if he wants a fine and fair balance between what the farmers can get at the market place and what the consumers will have to pay in the supermarket, he ought to vote for this legislation without this mischievous amendment, and that is what it is.

The people who are favoring this amendment are not for the legislation, and this amendment will gut the legislation in the final analysis.

Mr. REES. Mr. Chairman, I agree completely with the gentleman from Michigan.

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

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

Mr. J. WILLIAM STANTON. Mr. Chairman, as the minority leader pointed out, we go right back to the basic presentation of the bill. As we stated, this bill, the Export Administration Act, provides for the export controls to reduce the inflationary impact of abnormal foreign demand.

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

Mr. REES. It merely balances the economy.

Mr. Chairman, I ask for a no vote on the amendment.

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

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 154, noes 211, not voting 69, as follows:

[Roll No. 440]

AYES—154

Adams	Culver	Henderson	
Anderson, Ill.	de la Garza	Hicks	
Andrews, N.C.	Dellums	Hillis	
Andrews,	Denholm	Huber	
• N. Dak.	Dennis	Hungate	
Armstrong	Derwinski	Hutchinson	
Ashbrook	Dickinson	Johnson, Colo.	
Aspin	Drinan	Jones, N.C.	
Bauman	Eckhardt	Jordan	
Bennett	Edwards, Calif.	Kazan	
Bergland	Evans, Colo.	Kemp	
Blester	Fascell	Ketchum	
Blackburn	Findley	Kyros	
Bowen	Fisher	Litton	
Brinkley	Foley	Long, La.	
Brooks	Fountain	Long, Md.	
Brotzman	Fraser	McClory	
Brown, Calif.	Fulton	McCloskey	
Burgener	Gibbons	McCollister	
Burke, Mass.	Goldwater	McCormack	
Burleson, Tex.	Gonzalez	Macdonald	
Burlison, Mo.	Gray	Madigan	
Butler	Green, Oreg.	Mahon	
Carney, Ohio	Griffiths	Mallary	
Casey, Tex.	Gross	Mann	
Chappell	Grover	Martin, Nebr.	
Cleveland	Gunter	Matsunaga	
Cochran	Hammer-	Mayne	
Cohen	schmidt	Meeds	
Conlan	Hansen, Idaho	Melcher	
Crane	Hansen, Wash.	Mezvinsky	

Milford	Reuss	Symms	Ford,	Kuykendall	Sandman
Miller	Riegle	Teague, Calif.	William D.	Landgrebe	Scherie
Mink	Robison, N.Y.	Thompson, N.J.	Froehlich	McEwen	Shipley
Moakley	Roe	Thome	Fuqua	McKinney	Sikes
Montgomery	Rose	Thornton	Gettys	McSpadden	Sisk
Moorhead,	Roush	Ullman	Hanrahan	Mathis, Ga.	Stanton,
Calif.	Rousselot	Van Deerlin	Harvey	Metcalfe	James V.
Myers	Roy	Vanik	Hawkins	Mills, Ark.	Stark
Natcher	Ryan	Wampler	Hays	Minshall, Ohio	Stephens
Nedzi	Sarbanes	Whalen	Hebert	O'Neill	Stokes
Obey	Satterfield	White	Hollifield	Quillen	Stubblefield
O'Brien	Schroeder	Whitten	Howard	Reid	Taylor, Mo.
O'Hara	Sebelius	Wilson, Charles H.,	Ichord	Rodino	Teague, Tex.
Owens	Skubitz	Calif.	Jones, Okla.	Rogers	Tierman
Pepper	Smith, Iowa	Spence	Jones, Tenn.	Rooney, N.Y.	Udall
Pickle	Steed	Wright	King	Rooney, Pa.	Walde
Poage	Steelman	Yates	Kluczynski	Runnels	
Price, Tex.	Steiger, Wis.	Young, Ga.			
Quie	Stratton	Young, S.C.			
Randall	Stuckey	Young, Tex.			
Rangel	Studds	Zion			
Rarick		Zwach			

NOES—211

Abzug	Frenzel	Patten	Ford,	Kuykendall	Sandman
Addabbo	Frey	Perkins	William D.	Landgrebe	Scherie
Anderson,	Gaydos	Pettis	Froehlich	McEwen	Shipley
Calif.	Gialmo	Peyser	Fuqua	McKinney	Sikes
Annunzio	Gilman	Pike	Gettys	McSpadden	Sisk
Archer	Ginn	Podell	Hanrahan	Mathis, Ga.	Stanton,
Arends	Goodling	Powell, Ohio	Harvey	Metcalfe	James V.
Ashley	Grasso	Preyer	Hawkins	Mills, Ark.	Stark
Badillo	Green, Pa.	Price, Ill.	Hays	Minshall, Ohio	Stephens
Baker	Gubser	Pritchard	Hebert	O'Neill	Stokes
Barrett	Gude	Railsback	Hollifield	Quillen	Stubblefield
Beard	Guyer	Rees	Howard	Reid	Taylor, Mo.
Bevill	Haley	Regula	Ichord	Rodino	Teague, Tex.
Biaggi	Hamilton	Rhodes	Jones, Okla.	Rogers	Tierman
Bingham	Hanley	Rinaldo	Jones, Tenn.	Rooney, N.Y.	Udall
Boggs	Hanna	Roberts	King	Rooney, Pa.	Walde
Boland	Harrington	Roncalio, Va.	Kluczynski	Runnels	
Bolling	Harsha	Roncalio, Wyo.			
Brademas	Hastings	Roncalio, N.Y.			
Brasco	Hechler, W. Va.	Rosenthal			
Bray	Heckler, Mass.	Rostenkowski			
Breaux	Heinz	Royal			
Brown, Mich.	Heilstoski	Ruppe			
Brown, Ohio	Hinshaw	Ruth			
Broyhill, Va.	Hogan	St Germain			
Buchanan	Holt	Sarasin			
Burke, Calif.	Holtzman	Saylor			
Burke, Fla.	Horton	Schneebell			
Byron	Hosmer	Seiberling			
Camp	Hudnut	Shoup			
Carey, N.Y.	Hunt	Shriver			
Carter	Jarman	Shuster			
Cederberg	Johnson, Calif.	Slack			
Chamberlain	Johnson, Pa.	Smith, N.Y.			
Clark	Jones, Ala.	Snyder			
Clausen,	Karth	Staggers			
Don H.	Kastenmeier	Stanton,			
Clay	Keating	J. William			
Collier	Koch	Steele			
Collins, Ill.	Landrum	Steiger, Ariz.			
Conable	Latta	Sullivan			
Conte	Leggett	Symington			
Cotter	Lehman	Talcott			
Cronin	Lent	Taylor, N.C.			
Daniel, Dan	Lott	Thomson, Wis.			
Daniel, Robert W., Jr.	Lujan	Towell, Nev.			
Daniels,	McDade	Treen			
Dominick V.	McFall	Vander Jagt			
Danielson	McKay	Veysey			
Davis, Wis.	Madden	Vigorito			
Dellenback	Mailliard	Waggonner			
Dent	Maraziti	Walsh			
Devine	Martin, N.C.	Ware			
Dingell	Mathias, Calif.	Whitehurst			
Donohue	Mazzoli	Widnall			
Dorn	Michel	Wiggins			
Downing	Minish	Williams			
Dulski	Mitchell, Md.	Wilson, Bob			
Duncan	Mitchell, N.Y.	Wilson, Charles, Tex.			
du Pont	Mizell	Wise			
Edwards, Ala.	Mollohan	Winn			
Eilberg	Moorhead, Pa.	Wolff			
Erlenborn	Morgan	Wyatt			
Esch	Mosher	Wydler			
Eshleman	Moss	Wylie			
Fish	Murphy, Ill.	Wyman			
Flood	Murphy, N.Y.	Yatron			
Flowers	Nelsen	Young, Alaska			
Ford, Gerald R.	Nichols	Young, Fla.			
Farris	Nix	Young, Ill.			
Forsythe	Patriss	Zablocki			
Frelinghuysen	Passman				
	Patman				

NOT VOTING—69

Abdnor	Broyhill, N.C.	Corman	Ford,	Kuykendall	Sandman
Alexander	Burton	Coughlin	William D.	Landgrebe	Scherie
Bafalis	Chisholm	Davis, Ga.	Froehlich	McEwen	Shipley
Bell	Clancy	Davis, S.C.	Fuqua	McKinney	Sikes
Blatnik	Clawson, Del.	Delaney	Gettys	McSpadden	Sisk
Breckinridge	Collins, Tex.	Diggs	Hanrahan	Mathis, Ga.	Stanton,
Broomfield	Conyers	Flynt	Harvey	Metcalfe	James V.

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ASHLEY

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

The Clerk read as follows:

Amendment offered by Mr. ASHLEY: Page 6, strike out line 24 and all that follows thereafter through page 7, line 12, and on page 7, line 18, strike out "(b)" and insert in lieu thereof "Sec. 1010. (a)", and on page 7, line 22, strike out "(c)" and insert in lieu thereof "(b)", and on page 7, line 24, strike out "(b)" and insert in lieu thereof "(a)", and on page 8, line 4, strike out "(b)" and insert in lieu thereof "(a)", and on page 8, line 10, strike out "(e)" and insert in lieu thereof "(d)" and on page 8, line 11, strike out "(d)" and insert in lieu thereof "(c)".

Mr. ASHLEY. Mr. Chairman, this will not take very long. The intention of this section of the bill was to create an incentive for the administration to produce more timber from the national forests to satisfy the country's needs for housing and other domestic uses. It does this in effect by saying that 11.8 board feet must be available for domestic sale during 1973 and 1974. Unless this is done, there would be a ceiling placed on the export of logs and lumber.

The purpose of this section in the last 60 or 90 days has been met. A release from the Department of Agriculture says as follows:

Secretary of Agriculture, Earl L. Butz, and Director of the Cost of Living Council, John T. Dunlop, today jointly announced completion of a detailed plan to assure sales of 11.8 billion board feet from the National Forests during calendar year 1973 and the same amount during fiscal year 1974. The 11.8 billion board feet established as the fiscal year 1974 goal represents an increase of approximately 10 percent over the amount of timber which the Forest Service will offer for sale during fiscal year 1973, ending June 30.

Mr. Chairman, following the release of this information, I have been advised that Secretary Butz has provided the Forest Service with personnel and financial resources required to meet the new goals. Effective immediately, the Forest Service personnel ceiling is increased by 450 permanent positions for hiring of additional foresters, engineers and support personnel which are required under the expanded sales program.

So, Mr. Chairman, the original purpose of the section has been met. For that reason I offer the amendment, and hope that the amendment will be adopted.

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

Mr. ASHLEY. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, in view of the statement made by the gentleman from Ohio, I believe that we should accept this amendment and I also believe that it will help the bill.

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

Mr. ASHLEY. I yield to the gentleman from Louisiana.

Mr. RARICK. Mr. Chairman, I thank the gentleman for yielding, and I would just like to say that I support the proposed amendment. I think, speaking on behalf of the forestry people, that it removes certain objections, and I urge the adoption of the amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I commend the gentleman from Ohio for offering this amendment, and I strongly support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RARICK

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

The Clerk read as follows:

Amendment offered by Mr. RARICK: Page 7, line 12, after the word "No" insert "merchantable".

Page 7, line 15, after the word, "meridian" and before the period insert "in the contiguous state".

Page 7, line 25, strike the word "and" and insert in lieu thereof a comma. After the word "species" insert, "and grades".

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

Mr. RARICK. I will be happy to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I have had the opportunity to look over this amendment. It is in the nature of a perfecting amendment. It is desirable, and I think it would be very helpful to the bill. I urge the adoption of the amendment.

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

Mr. RARICK. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, the minority has had an opportunity to examine this amendment offered by the gentleman from Louisiana (Mr. RARICK). We on this side concur in the amendment, and urge that it be adopted.

Mr. RARICK. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, I now yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, due to the unique nature of the Alaska timber industry, Congressman ASHLEY supports this amendment to exempt Alaska from the export limitation on softwood lumber set out in section 10 of H.R. 8547.

This amendment has been agreed to by the sponsor because of its importance to Alaska, and because the amendment does not detract from the intent and purpose of the bill. The ceiling limitation on soft-

wood lumber has been lowered by the yearly average of lumber exported from Alaska, which is roughly 27 percent of the total lumber exported from the United States. Thus, the ceiling as adjusted does not affect the limitation of exported lumber from the "Lower 48."

However, the primary reason Alaska can be exempt without affecting this bill is because the timber industry does not affect the "Lower 48." Alaska lumber is not a source of supply to the homebuilders in the United States. It never has been and it never will be for the simple reason that no one can afford Alaska lumber except the Japanese.

There are two main reasons for this: The Jones Act and the high cost of logging and processing lumber in Alaska.

As a noncontiguous State, the Alaska economy is dramatically affected by the Jones Act. The high cost of shipping goods from the Southern U.S. ports on American ships has pushed the cost of living up higher than in any other State. More important is its effect on our industry. The cost of shipping Alaska lumber to the "lower 48" on American bottoms is but one of the major factors which has priced this lumber out of the U.S. market.

The second major reason Alaska lumber is not competitive with U.S. lumber prices is that the cost of producing the lumber in Alaska is so much higher over the cost of producing it in the Northwest. Labor costs and logging camps and sawmills range from 25 to 30 percent higher than in the Northwest. Gross loggings costs exceed Northwest costs 35 to 40 percent. When these costs are considered with the fact that a high percentage of Alaska timber is of low grade lumber, it becomes apparent that there is no meaningful competition in the U.S. market for Alaska lumber.

With this amendment, Alaska's economy is helped and Alaska helps the U.S. economy. Since the beginning of the Alaska timber industry in 1956, nearly all of its lumber has been exported, accounting for \$750 million worth of favorable balance-of-trade credits. In short, this amendment is the best for everyone. The domestic timber market in the "lower 48" is left the same as in the ASHLEY bill without my amendment, and we increase the U.S. exports.

Finally, an export limitation on Alaskan lumber would have a devastating effect on the Alaskan economy. Since 95 percent of this lumber is exported, an export limitation on Alaskan lumber would close most of the mills and logging camps. This could mean a yearly loss of approximately \$76 million to the southeastern Alaska economy, a loss of 8,700 jobs which is 50 percent of the labor force in southeastern Alaska. It is clear that an export limitation on Alaskan lumber would deal a serious blow to the economy in the State.

It is for these reasons that I urge the passage of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. RARICK).

The amendment was agreed to.

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

Mr. Chairman, I rise to announce that I am going to withdraw the amendment that I had planned to introduce because I do not think that within the time that we have here today at this hour of the evening we can straighten out this mess that we have here.

Let me say that there is absolutely no control over how these export allocations are given out. No thought has been given in this legislation as to who is going to profit from these export tickets that will eventually be issued. Let me say they are very valuable pieces of paper, and they will probably go to you-know-who. The fellow who gets there first or gets there with the "mostest" will probably get the export ticket, or the fellow who is going to get a monopoly on the market.

That has been the history every time we have tried this thing. This committee has given no thought at all to it, other than giving some vague instructions to the Secretary of Commerce that he should assemble some people who are engaged in this business, and they are going to tell us how these products will be exported. I do not think there is any way at this time of the evening to improve this bill at all, so I am not going to introduce my amendment, but I should ask all Members to vote against it.

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

Mr. Chairman, it is not my intention to take the full 5 minutes. I take this time merely to ask the chairman of the subcommittee a question.

Mr. Chairman, on line 13, page 7, there is a provision against the sale of unprocessed export timber. It says on line 16:

* * * until the President determines that there is available for domestic use an adequate supply of softwood logs * * *.

I am sure the chairman of the subcommittee is aware that there is a vast supply of raw logs and logs, lumber, in Canada. If it is the intention of the committee to mean that all of the supply can be counted, then this amendment is in effect negatory or is of no meaning. I would ask the chairman to indicate to us if that is the intention of the committee or not.

Mr. ASHLEY. No. The intention is not to allow Presidential determination to be based upon the total possible supply from Canada or from any other source. However, I think we do have to recognize that the United States is a very substantial importer of lumber and products from Canada, and to this extent, based largely, I should suppose, on the fluctuations in the business cycle, the usual imports from Canada would be considered with respect to a Presidential determination, but nothing beyond that.

Mr. MEEDS. Fine. I think that explains it.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. VANIK

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

The Clerk read as follows:

Amendment offered by Mr. VANIK: Insert a new section 3 at end of bill:

No export license or permit authorized to be issued under the provisions of this act shall be sold, transferred or assigned.

Mr. VANIK. Mr. Chairman, I just want to take a minute or two under the rule to suggest that the purpose of this amendment is to prevent the bargaining, the trafficking, in export permits that prevailed with respect to the oil import quotas when we had a permit system operating in that area. I think that if this system is going to be fair and equitable, the permit should be used by the person who is authorized, who has the authority to use it, and if it is not used by that person, I think that the right should lapse or be granted to others. I do not think that the export permit ought to be bargained, transferred, or sold to another.

SUBSTITUTE AMENDMENT OFFERED BY MR. ASHLEY FOR THE AMENDMENT OFFERED BY MR. VANIK

Mr. ASHLEY. Mr. Chairman, I offer a substitute amendment for the amendment offered by Mr. VANIK.

The Clerk read as follows:

Amendment offered by Mr. ASHLEY as a substitute for the amendment offered by Mr. VANIK: Page 6, after line 17, add the following new language:

Should the Secretary provide for export controls he shall make every effort to provide for a system of controls that is fair, equitable and just to all of the parties concerned. In any such system he shall provide that the allocations of export permits shall be made on a nondiscriminatory basis and that all those wishing to export shall have equal rights to obtain such an export permit. After an export permit has been granted, it shall not be valid if transferred or assigned.

Mr. ASHLEY. Mr. Chairman, honesty compels me to tell the House I have worked very closely with the gentleman from Florida (Mr. GIBBONS) on this amendment. In fact it is the language of the amendment the gentleman indicated he would have offered had he had the heart to do so at that time. It is a good amendment. I think it is very close to the amendment offered by the gentleman from Ohio, but I think it is a fuller description of what our objectives are and I urge its adoption.

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

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

Mr. BROWN of Michigan. Mr. Chairman, does the gentleman realize the permit system and the license system has been in existence in the Export Act since 1969? Does the gentleman know of any abuses in the system?

Mr. ASHLEY. I know of no abuses that would be generated by this language either.

Mr. BROWN of Michigan. Does the gentleman know permits or licenses are not subject to transfer now?

Mr. ASHLEY. I do not think the country would suffer by adoption of the amendment.

Mr. BROWN of Michigan. I do not

think the country would suffer if it is not adopted.

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

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

Mr. WIGGINS. Mr. Chairman, is it the intent of the gentleman to consider a simple transfer from one business entity to a successor business entity as the type of transfer that would void the license?

Mr. ASHLEY. Mr. Chairman, on this I yield to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, it is an embarrassing situation. I withdrew this amendment awhile ago and now I find it offered and while it may or may not be passed it is not being objected to.

The purpose of putting that in was to cut down the traffic in these tickets. It is not to prohibit anybody who legitimately wants to export from going ahead and doing it. It is just to try to cut down the particular value of this. If a person has a product he wants to export he goes to the Secretary of Commerce and he gets fair treatment and he gets his ticket.

If we do not do that what happens is that we get a certain intrinsic value attaching to the tickets in themselves and they will then trade on the futures market. I was trying to prevent that.

What I would like to see happen and I do not prescribe it in this amendment is that these tickets be auctioned off by some fair manner as we auction off oil and gas leases now so that the benefit of the value of that ticket would go to the American public and not to some entrepreneur who was trying to profit from the difficulties the country has.

Mr. WIGGINS. Mr. Chairman, I appreciate that is what the gentleman wants to say but I think the gentleman appreciates the fact that is not what the language says. I think we need to have this legislative history, that it is not the intention of the gentleman to bar a transfer which is simply a legal transfer to a different entity.

Mr. GIBBONS. The gentleman obviously has not studied the problem because that is the way they get around it now and they sell these tickets. They can sell these tickets in that way even though the law says exactly what the gentleman wants it to say, but it has not worked. The only way we can do it is to make the tickets go back to the man who is issuing them, the Secretary of Commerce, and let him reissue them.

There is a lot of speculation on tickets. These can be very valuable.

Mr. REES. The exporting of the products. The Department of Commerce, if one's commodity is under restriction, the Department of Commerce then issues these and tries to let every exporter have so much of what the pot is, but generally one will find that all exporters of commodities are in the specific business of exporting these commodities, so it really is divided up. The pot is divided up among them.

I do not think it can be compared with the oil situation, because there we have

a specific situation of domestic and foreign supply. It should be done strictly through export licensing.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Ohio (Mr. ASHLEY) for the amendment offered by the gentleman from Ohio (Mr. VANIK).

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK), as amended.

The amendment, as amended, was agreed to.

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

Mr. Chairman, in H.R. 8547 there are specific provisions detailing the amounts of logs which may be exported under certain conditions, and also stating the basis for curtailing log exports. I support H.R. 8547. I think its provisions would be helpful to the Northwest and to the Nation. However, I have a concern as to the interpretation which is intended for the sections of the log export provisions which relate to the prohibition and prevention of substitution in connection with timber which is restricted from export by this bill.

There was some legislative history on this point which was created and printed in the CONGRESSIONAL RECORD at the time when the original amendment proposed by Senator Morse was accepted to the Foreign Assistance Act of 1968. That was almost 5 years ago and since that time conditions have greatly changed. Also, we now have 5 years of experience in how this amendment operates in practice.

Five years ago, on July 30, 1968, Senator Morse, in commenting on his amendment referred to "substitution" as a "reasonably direct" substitution in terms of locality, so that an owner could not substitute in the same area and in the same time period public timber for his privately owned timber which he had sold for export. Of course, no agency has ever issued any rules or regulations to carry out this provision of the Morse amendment, so that the previous legislative history and intent were never incorporated in any Federal actions. It is timely now, under changed circumstances, to make sure that the interpretation and purpose of the pending legislation is more to the point and more effective in carrying out our current purposes with respect to exports and prevention of substitution.

It is my understanding that the language in lines 5 through 9 on page 8 of the present bill, which I support, means that any persons who export timber should not be permitted to replace that timber with Federal timber within the same general area within the same time period and for a meaningful period thereafter. This latter is the key point, for example, that the prevention of substitution by a company carryover into the future following the cessation of its export activities.

The objective should be to provide that first, owners of private timber who directly or indirectly export their private timber and second, others engaged in exporting private timber shall be precluded from bidding on or purchasing Federal timber or logs produced therefrom to replace the private timber that they have exported.

It is also my expectation that, when the appropriate officials issue rules and regulations to carry out the intention of these amendments, there will be a full opportunity for hearings and appeals on the decisions to be rendered which will prevent or approve specific cases of substitution within the context of the language in this bill.

I make these statements for the record for what value they may have in indicating to the appropriate Secretaries the intention underlying this important section of this bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. GIAMO, 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. 8547) to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand, pursuant to House Resolution 484, 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.

It is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

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.

MOTION TO RECOMMIT OFFERED BY
MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROUSSELOT moves to recommit the bill H.R. 8547 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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

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

The yeas and nays were ordered.

The vote was taken by electronic de-

vice, and there were—yeas 220, nays 133, present 1, not voting 80, as follows:

[Roll No. 441]
YEAS—220

Abzug Gaydos Pepper
Adams Giaimo Perkins
Addabbo Gilman Peyster
Anderson, Calif. Grasso Pike
Anderson, Ill. Gray Podell
Anderson, Pa. Green, Pa. Powell, Ohio

Annunzio Grover Preyer
Archer Gubser Price, Ill.

Arends Gude Pritchard
Ashley Guyer Rangel
Aspin Hamilton Rees
Badillo Hammer Regula
Baker Schmidt Reuss
Barrett Hanley Rhodes
Bennett Hanna Riegle
Bevill Hansen, Wash. Rinaldo
Biaggi Harrington Roberts
Biester Harsha Roe
Bingham Hechler, W. Va. Rosenthal
Boggs Heckler, Mass. Rostenkowski

Bolling Heinz Roush
Brademas Helstoski Roybal
Brasco Hicks Ruppe
Brinkley Hillis St Germain
Brotzman Hogan Sarasin

Brown, Mich. Holtzman Sarbanes
Buchanan Horton Schroeder
Burke, Calif. Hudnut Seiberling
Burke, Mass. Jarman Shuster
Carey, N.Y. Johnson, Pa. Slack
Carney, Ohio Jones, Ala. Smith, N.Y.
Carter Jordan Snyder
Casey, Tex. Karth Staggers
Cederberg Kastenmeier Stanton,
Chamberlain Koch J. William
Clark Kyros Steele
Clausen, Don H. Landgrebe Steelman
Clay Leggett Stokes
Cleveland Lehman Stuckey
Cochran Lent Studds
Cohen Long, La. Symington
Collier Lott Taylor, N.C.
Collins, Ill. Lujan Thomson, Wis.
Conte McCloskey Towell, Nev.
Cotter McCormack Treen
Cronin McDade Van Deerlin
Daniels, Dominick V. McFall Vanik
Danielson Macdonald Vigorito
Davis, Wis. Madden Waggoner
Dellenback Mailliard Walsh
Dellums Mann Wampier
Dent Martin, N.C. Ware
Dingell Matsunaga White
Donohue Mazzoli Whitehurst
Downing Meeds Widnall
Drinan Milford Wiggins
Dulski Miller Williams
Duncan Minish Wilson, Bob
du Pont Mink Wilson, Charles H., Calif.
Edwards, Ala. Mitchell, Md. Wilson, Charles, Tex.
Edwards, Calif. Mitchell, N.Y. Mizell Wolf
Eilberg Erlenborn Moakley Wright
Esch Esch Mollohan Wyatt
Eshleman Moorhead, Pa. Morgan Wydler
Evins, Tenn. Fascell Mosher Wylie
Fish Flood Murphy, Ill. Wyman
Flowers Nedzi Yatron
Ford, Gerald R. Nielsen Young, Fla.
Ford, William D. Nichols Young, Ga.
Frenzel Passman Young, Ill.
Frey Patten Zablocki

NAYS—133

Andrews, N.C. Camp Frelinghuysen
Andrews, N. Dak. Chappell Gibbons
Armstrong Conable Ginn
Ashbrook Conlan Goldwater
Bauman Crane Gonzalez
Beard Culver Goodling
Bergland Daniel, Dan Green, Oreg.
Blackburn Daniel, Robert Gross
Bowen W., Jr. Gunter
Bray de la Garza Haley
Breaux Dennis Henderson
Brooks Devine Hinshaw
Brown, Calif. Dickinson Holt
Brown, Ohio Evans, Colo. Hosmer
Burgener Findley Hungate
Burke, Fla. Fisher Hunt
Burleson, Tex. Foley Hutchinson
Burkison, Mo. Fountain Johnson, Calif.
Butler Butler Fraser Johnson, Colo.

Jones, N.C.	O'Brien	Skubitz
Kazen	O'Hara	Smith, Iowa
Keating	Owens	Spence
Kemp	Parris	Steed
Ketchum	Pettis	Steiger, Ariz.
Landrum	Pickle	Steiger, Wis.
Litton	Poage	Stratton
Long, Md.	Price, Tex.	Symms
McClory	Quie	Talcott
McCollister	Railsback	Teague, Calif.
McKay	Randall	Thompson, N.J.
Madigan	Rarick	Thone
Mahon	Robinson, Va.	Thornton
Mallary	Robison, N.Y.	Ullman
Martin, Nebr.	Roncalio, Wyo.	Veysey
Mathias, Calif.	Rose	Whalen
Mayne	Rousselot	Whitten
Meicher	Roy	Winn
Mezvinsky	Ruth	Yates
Montgomery	Ryan	Young, Alaska
Moorhead,	Satterfield	Young, S.C.
Calif.	Saylor	Young, Tex.
Moss	Schneebeli	Zion
Myers	Natcher	Zwach
Obey	Shoup	
	Shriver	

PRESENT—1

Eckhardt

NOT VOTING—80

Abdnor	Froehlich	Minshall, Ohio
Alexander	Fulton	Nix
Bafalis	Fuqua	O'Neill
Bell	Gettys	Quillen
Blatnik	Griffiths	Reid
Boland	Hanrahan	Rodino
Breckinridge	Hansen, Idaho	Rogers
Broomfield	Harvey	Roncalio, N.Y.
Broyhill, N.C.	Hastings	Rooney, N.Y.
Broyhill, Va.	Hawkins	Rooney, Pa.
Burton	Hays	Runnels
Byron	Hebert	Sandman
Chisholm	Holfield	Scherle
Clancy	Howard	Shipley
Clawson, Del	Ichord	Sikes
Collins, Tex.	Jones, Okla.	Sisk
Conyers	Jones, Tenn.	Stanton,
Corman	King	James V.
Coughlin	Kluczynski	Stark
Davis, Ga.	Kuykendall	Stephens
Davis, S.C.	McEwen	Stubblefield
Delaney	McKinney	Taylor, Mo.
Derwinski	McSpadden	Teague, Tex.
Diggs	Mathis, Ga.	Tiernan
Dorn	Metcalfe	Udall
Flynt	Michel	Vander Jagt
Forsythe	Mills, Ark.	Waldie

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Tiernan for, with Mr. Eckhardt against.

Until further notice:

Mr. Hays with Mr. Abdnor.

Mr. Rooney of New York with Mr. Froehlich.

Mr. Hebert with Mr. Quillen.

Mr. Sikes with Mr. Hastings.

Mr. Rooney of Pennsylvania with Mr. McEwen.

Mr. Blatnik with Mr. McKinney.

Mr. Delaney with Mr. Derwinski.

Mr. Fuqua with Mr. Forsythe.

Mr. Fulton with Mr. Coughlin.

Mr. Holfield with Mr. Harvey.

Mr. Howard with Mr. Clancy.

Mr. Kluczynski with Mr. Bell.

Mr. Rodino with Mr. Kuykendall.

Mr. O'Neill with Mr. Michel.

Mr. Nix with Mr. Minshall of Ohio.

Mr. Rogers with Mr. Bafalis.

Mr. Shipley with Mr. Broomfield.

Mr. James V. Stanton with Mr. Sandman.

Mr. Waldie with Mr. Taylor of Missouri.

Mr. Teague of Texas with Mr. Broyhill of North Carolina.

Mr. Sisk with Mr. Vander Jagt.

Mr. Hawkins with Mr. Collins of Texas.

Mrs. Griffiths with Mr. Del Clawson.

Mr. Gettys with Mr. Broyhill of Virginia.

Mr. Alexander with Mr. Hanrahan.

Mr. Boland with Mr. Hansen of Idaho.

Mr. Burton with Mr. King.

Mr. Byron with Mr. Roncalio of New York.

Mrs. Chisholm with Mr. Scherle.

Mr. Corman with Mr. Conyers.

Mr. Davis of Georgia with Mr. Breckinridge.

Mr. Flynt with Mr. Davis of South Carolina.

Mr. Dorn with Mr. Ichord.

Mr. Jones of Oklahoma with Mr. Mills of Arkansas.

Mr. Diggs with Mr. Stark.

Mr. Jones of Tennessee with Mr. Mathis of Georgia.

Mr. Metcalfe with Mr. McSpadden.

Mr. Reid with Mr. Udall.

Mr. Stephens with Mr. Stubblefield.

Mr. ECKHARDT. Mr. Speaker, I have a live pair with the gentleman from Rhode Island (Mr. TIERNAN). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ASHLEY. 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, H.R. 8547.

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

There was no objection.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute).

Mr. GERALD R. FORD. Mr. Speaker, I have taken this time for the purpose of asking the distinguished majority whip the program for the rest of the week, if any, and the program for next week.

Mr. McFALL. Mr. Speaker, if the gentleman will yield, I will be happy to respond to the request of the gentleman from Michigan.

Mr. GERALD R. FORD. I am happy to yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, in response to the inquiry of the gentleman from Michigan, I will state that there is no further legislative business for today, and upon the announcement of the program for next week I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for next week is as follows:

Monday is District Day, and there are no bills.

We will then take up the contempt citation coming out of the Committee on Armed Services for G. Gordon Liddy under a House resolution, for which I do not have the number as of the present time.

That will be followed by H.R. 7482, the Little Cigar Act, with an open rule and 1 hour of debate.

That is all the business scheduled for Monday.

On Tuesday we will have H.R. 7645, State Department Authorization conference report,

H.R. 2096, discriminatory imports on wine, with an open rule and 1 hour of debate, and

S. 1697, emergency eucalyptus assist-

ance, with an open rule and 1 hour of debate.

For Wednesday and the balance of the week, S. 504, emergency medical services, vote on veto override,

H.R. 6452, urban mass transit, with an open rule and 2 hours of debate,

H.R. 7974, Health Maintenance Organization, subject to a rule being granted,

H.R. 9639, School Lunch Act amendment, subject to a rule being granted,

H.R. 6576, water project investigations, subject to a rule being granted, and

H.R. 8789, Bicentennial coinage design, subject to a rule being granted.

As usual, conference reports may be brought up at any time, and any further program will be announced later.

ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1973

Mr. McFALL. 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 California?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule may be dispensed with on Wednesday next.

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

There was no objection.

PERSONAL EXPLANATION

Mr. DENNIS. Mr. Speaker, I was unavoidably detained and not present in the House Chamber earlier this afternoon when the vote on final passage of H.R. 8351, the Amtrak authorization bill, occurred.

Had I been present at that time, I would have voted "aye."

MAJORITY LEADER THOMAS P. O'NEILL, JR., REPLIES TO PRESIDENT'S ATTACK ON CONGRESS

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

Mr. O'NEILL. Mr. Speaker, on Monday last, I offered the olive branch to the President, because I had heard that 10 more vetoes of important legislation could be expected. It seemed to me that such lack of cooperation could only hurt the country.

In response, I received a phone call from Mr. Laird in the White House, saying that he would be glad to meet with us and work out something on legislation. Just 10 minutes before the President went on television yesterday, Mr. Laird was on the phone with me setting up a meeting.

Then came the press conference, and it was hard to tell whether the President was calling for teamwork—or scrimmage.

President Nixon's economic policies have brought nothing but inflation and misery to the people. It is natural that he would want to put that monkey on somebody else's back. But, in Congress, he's picked the wrong whipping boy.

Congress has already given the President all the economic stabilization authority he needs. The economic ills of this Nation stem directly from the economic policies of the Nixon administration—beginning back in 1969 when the President decided that what he needed was a million more unemployed. It was this administration that last year diverted 40 million acres from production and sold our grain surplus to the Soviets. That mismanagement has caused our food shortage and high food prices today.

The President has little room to complain about the budget. In his first 4 years, his budgets added a staggering \$97 billion to the national debt. And he submitted another budget this year that was \$28 billion in the red.

This Congress can be proud of its achievements—social security increase, crime control, health program, Cambodia bombing cutoff. It is the President who has chosen to veto minimum wage and the Emergency Medical Services Act.

Both Houses are working together on a final Alaska pipeline bill.

I do not believe the people can be diverted from the causes of this Nation's economic ravishment. President Nixon's economic policies have been responsible. Unfortunately, the consequences for their failure have fallen upon all the little people of this Nation.

STATEMENT BY CONGRESSMAN JOHN BRADEMAS ON PRESIDENT NIXON'S PRESS CONFERENCE

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

Mr. BRADEMAS. Mr. Speaker, if President Nixon will stop attacking Congress and start attacking the problems this country faces, he will better serve the Nation and his office.

In the same breath that President Nixon called for bipartisan teamwork, he launched an ungracious and unwarranted attack on Congress. The President's attack, coupled with his announcement that he will veto the minimum wage bill approved by large majorities in Congress, shows he intends only to talk about cooperation with Congress, not practice it.

Mr. Speaker, the 93d Congress has in a few months already compiled a significant record. We have, to cite a few measures now law, approved a bombing cutoff in Southeast Asia, an increase in social security benefits, a major farm bill, a highway mass transit bill, and extensions of crime control, older Americans, child nutrition, public broadcasting, and environmental protection programs.

From the start of the session through July 31, the Senate and House combined

registered an extraordinary 654 record votes, surely not evidence of legislative paralysis.

It is perfectly clear that Mr. Nixon's press conference was an effort to divert public attention from the problems he himself has created.

I hope that Republicans in Congress will join Democrats in an honest bipartisan effort to pass constructive legislation on trade, pension reform, campaign reform, elementary and secondary education, health maintenance organizations, and manpower, including a public employment program.

Mr. Speaker, I repeat. President Nixon should stop attacking Congress and start attacking the Nation's problems.

IT TAKES TWO TO COOPERATE

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

Mr. WYLIE. Mr. Speaker, I was amused by the statement yesterday of the majority leader that there ought to be more cooperation between the Congress and the President. My amusement stemmed from the fact that almost everyday for a month before the recess, the majority leader had attacked the President and had found little that was right in anything he was doing. I think the change in attitude of the majority leader stems not so much from the fact that he now wants to embrace the President. I have a feeling it reflects the fact that during the recess, the gentleman heard from the people in his district, who probably are not much different from people across the Nation and who feel that Congress should get on with the business of passing essential legislation and be less political.

The gentleman from Massachusetts (Mr. O'NEILL) and the gentleman from Indiana (Mr. BRADEMAS) were critical of the President's comments about Congress during the press conference yesterday. I thought the President exercised considerable restraint. Cooperation is a two-way street. The legislative branch and the executive branch need to confront the issues together—now—and dispense with the political rhetoric.

INDEPENDENCE DAY MESSAGE OF HONORABLE HENRY J. TASCA, AMBASSADOR TO GREECE

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

Mr. WILLIAMS. Mr. Speaker, in capitals across the world the United States is represented by our ambassadors and dedicated Foreign Service officers. They are the spokesmen for the American people and the leaders of the American communities abroad.

Our Ambassador to Greece, the Honorable Henry J. Tasca, is one of my friends. He recently sent me copies of his statement issued at the death of President Harry S Truman, and his Independence Day message to the American community in Greece.

Since Greece is the birthplace of democracy, and its own freedom was saved during the Greek Civil War through the efforts of President Truman, I believe that I should share these thoughts with my colleagues.

Mr. Speaker, I include Ambassador Tasca's messages in the RECORD at this point:

THE 1973 INDEPENDENCE DAY MESSAGE FROM AMBASSADOR HENRY J. TASCA

My Fellow Americans in Greece: In three years you and I will celebrate the two hundredth birthday of our country, the United States of America. Within the context of historical perspective, this may not seem a very long time, especially to us who work and live in a country surrounded by the monuments of a great democratic civilization which goes back not two hundred but two thousand years. But our democracy, the American form of democracy, meant something quite special for the oppressed masses on other continents who saw in our principles and ideals the promise of new life.

Why else do we find the ringing phrases of our basic national documents echoed throughout the world where men wish to be free? Phrases from our Declaration of Independence such as—"All Men Are Created Equal"; "The Consent of the Governed"; "Life, Liberty and the Pursuit of Happiness". And can anything better characterize the philosophy of government which has dominated every level of our national life than the eloquent first three words of our Constitution—"We the People". For almost two centuries, we the people, born of the American Revolution, have made of the United States a continuing revolution and that revolution will continue to achieve for our citizens that respect for human dignity and the basic rights of man envisaged by the founding fathers of our republic.

We celebrate our Independence Day this year conscious that the validity of the principles of the Declaration of Independence and the vitality and viability of our democratic institutions have never been more manifest. As Americans abroad let us be sure our words and actions bear witness to our faith in those principles and institutions.

STATEMENT BY AMBASSADOR HENRY J. TASCA ON THE DEATH OF FORMER PRESIDENT HARRY S. TRUMAN

On this tragic and inevitable day marking the passing of President Truman, we mourn his passing but honor his achievement. President Truman will go down in American history as one of our truly great Presidents. His career pronounces with great light and conviction America's profound confidence in the common man. As the Declaration of Independence states—"All men are created equal and are endowed by the divine . . ."

As a symbol of this vital equality, President Truman inspired a generation of mankind to reach for the highest goals.

President Truman personified our belief that man's essential nature not only equips him for democracy but requires democracy for its basic material and spiritual fulfillment.

President Truman became the leader of the American people at a time when the world looked to the United States for leadership and succor. The greatest military power the world has ever seen assembled by the greatest economic power the world has ever witnessed was dismantled in victory. But President Truman, believing as a common man in the essential dignity of human nature and in freedom, led the American people in their decision to help save freedom in the world and provide the means to help humanity meet its desperate economic needs without distinction of enemy or friend, religion or race. Thus the Marshall Plan was born, which affirmed America's basic profes-

sion of the brotherhood of man and the need for helping our fellow men to help themselves.

He saw first the danger to Greece and Turkey and the importance of their freedom to the freedom of the West. Thus, 25 years ago, he boldly proclaimed the Truman Doctrine that was important for freedom and democracy to survive. We still stand by that pledge.

But he also realized that material and spiritual recovery needed a shield against external forces of aggression and subversion. Thus NATO was born.

For President Truman, this was not only a right for Europeans but for all. When the free peoples elsewhere in the world were threatened, he reacted and showed the universality of America's humane aims.

And he first introduced the concept of aid to the developing areas of the world in the process of gaining their self determination. And so POINT IV was born.

President Truman led America in all these great decisions which have forever left their mark on human history and will be talked about in the generations to come whenever men talk about the common man, freedom, democracy and the right of all human beings, irrespective of race, color or creed, to "the pursuit of life, liberty and happiness".

BAN ON CIGARETTE SMOKING CLEARLY NOT WITHIN JURISDICTION OF FEDERAL CONSUMER PRODUCT SAFETY COMMISSION

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

Mr. HENDERSON. Mr. Speaker, during the recess of the Congress, Mr. Richard O. Simpson, Chairman of the recently created Federal Consumer Product Safety Commission, was quoted in the press as saying that the Commission has the power to set cigarette standards or ban cigarettes under the Hazardous Substances Act and that "We have a serious expectation of achieving a ban" and he felt the agency "should and will be able to achieve it."

He mentioned a "congressional petition," apparently referring to a staff "study" being conducted by a single Member of the Senate, who is a long-time foe of cigarette smoking.

The gentleman would do well to consider the formal action of Congress pursuant to the established rules and procedures under which Congress operates and in which a majority of the House and Senate speak for those bodies instead of being led astray by a minority attempting to act in some ad hoc or informal manner.

I wonder if Chairman Simpson is giving equal attention to such dangerous products as sugar, saccharin, coffee, beer, wine, liquor, aspirin, drugs, foods high in cholesterol, aerosol sprays, vitamins, gasoline, cooking gas, automobiles, and electrical appliances? Certainly he would not want to overlook cream, half-and-half milk, ice cream, eggs, bacon, and thick marbled steaks.

Perhaps our message to Mr. Simpson should be that when we want him and the Commission, which we created, to meddle into the area of cigarette smoking, which we have obviously preempted by the enactment of the Cigarette Labeling and Advertising Act of 1965, and the Public Health Cigarette Smoking Act of 1969, we will let him know.

Both of these followed in time the Hazardous Substances Act of 1960, upon which he relies; and the legislative history of both clearly indicates that they were intended by Congress to preempt the field where cigarette smoking and merchandising is concerned.

Don't call us, Mr. Simpson. If we need you, we'll call you.

A NEW NIXON COVERUP

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

Ms. ABZUG. Mr. Speaker, President Nixon's press conference yesterday was a blatant, self-serving attack on Congress that is neither justified nor accurate. The failure of this administration to stop inflation cannot be blamed on Congress but must be laid at the clay feet of the President and his administration, which has been responsible for phases I-IV. We must not let the President get away with this new coverup.

Congress has already passed and the President signed over 100 bills, including such important measures as the Federal aid highway bill with its mass transit provisions, the new Agriculture and Food Stamp Act, legislation ending the American bombing of Indochina, and some very important health measures. There remains much to be done. But this Congress, and in fact no Congress, can or should be a mere rubberstamp for the President. Congress must use the legislative process to the fullest extent if it is to fulfill its own constitutional obligations. This includes full and open public hearings, due consideration of legislative proposals in committee and full debate on the House floor. And Congress, contrary to what the President said, has been on the job—before, after, and during the Watergate hearings. According to a recent Congressional Quarterly analysis, the Congress in sheer volume of work produced was "on a par with most past first session Congresses, and it was ahead of many."

We all know this because we know how hard we have been working—how many marathon sessions, how many committee hearings and debates, how many quorum calls and rollcall votes we have answered in the past 8 months. I propose that the congressional leadership immediately ask the radio and television networks for equal time to answer the President's misleading charges. The average American is being pushed to the economic wall by the rising cost of food, rent and housing, gas and oil and direct responsibility for this rests with the President. As a co-equal branch of Government Congress must get the truth to the American people and I urge the leadership to request equal time and to notify the Federal Communications Commission of its request.

MR. MEIDINGER SPEAKS FOR HIMSELF AND NOT FOR DUCKS UNLIMITED

The SPEAKER pro tempore (Mr. Mazzoli). Under a previous order of the House, the gentleman from North Dakota

(Mr. ANDREWS) is recognized for 5 minutes.

Mr. ANDREWS of North Dakota. Mr. Speaker, in the CONGRESSIONAL RECORD for June 28, 1973, on page 22135, I am correctly quoted as stating:

Also I have a telegram from Mr. Meidinger, North Dakota head of Ducks Unlimited, that he urges us to support the Garrison project.

Since the inception of Ducks Unlimited, Inc., in 1937 it has been the policy of that organization to restrict its activity to the raising of funds for the preservation, maintenance, and restoration of wetlands breeding habitat, and they do an outstanding job.

In the interest of maintaining this policy, the national president of Ducks Unlimited has expressed his concern that my remarks may be misconstrued. Therefore, Mr. Speaker, I wish to take this opportunity to emphasize that, in his telegram which I referred to, Mr. Meidinger was speaking for himself and not his organization.

CRIME IN SUBURBAN AREAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, there are a number of factors involved in the rapid and disturbing increase in crime in our Nation's suburban areas and there is one in particular which Congress can do something about.

Under current law, particularly sections 23-901 of the District of Columbia Code, a suburban police officer can pursue a criminal into the District of Columbia only if the criminal has committed a felony or certain types of misdemeanors which would continue in the District of Columbia. Examples of those misdemeanors where pursuit is permitted are drunken driving, which would be a continuing violation of District of Columbia statutes; larceny, which would result in stolen property being brought into the District; and carrying an illegal weapon.

Mr. Speaker, I am today introducing a bill which would facilitate the fresh pursuit of criminals into the District of Columbia by members of the suburban police forces. This would allow an officer to pursue into the District of Columbia anyone he has reason to believe has committed a criminal offense.

Not only would this bill give law-enforcement officers far greater leeway in the pursuit of criminals across the county line, but I feel it would also serve as a major tool in the fight against crime in Prince Georges County and other Washington suburban counties. I strongly believe that we must release the handcuffs created by this outmoded law and I urge the Members of this body to take rapid action on this bill.

The text of the bill follows:

A bill to facilitate fresh pursuit of criminals in the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 23-901 and 23-903 of the District of

Columbia Code are amended by striking out the word "felony" wherever it appears and inserting in lieu thereof "criminal offense".

FORCED BUSING OF SCHOOLCHILDREN TO ACHIEVE RACIAL BALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HEDNUT) is recognized for 10 minutes.

Mr. HEDNUT. Mr. Speaker, on previous occasions I have spoken before this body to express my concern about the issue of forced busing of schoolchildren to achieve racial balance in the public school systems of America. Yesterday I expressed the feeling that the Congress is delaying action on this matter that concerns so many citizens throughout our country, and I voiced the hope that hearings would soon be held and legislation brought to the floor for action. My purpose was to stimulate that action.

I also told the Congress that many, many people in my district in central Indiana are terribly upset about the court rulings requiring busing of schoolchildren in central Indiana, and they are fiercely opposed to it. But let it not be supposed that opposition to forced busing to achieve racial balance in the public schools means advocacy or disobedience to the law or lack of commitment to integrated schooling. Our American democracy is a government of laws and not of men. It is also a melting pot of disparate races, creeds, and income brackets, and because it is such, willful violation of the laws of the land, personal vendettas against people who hold different points of view from our own, or promotion of racial or religious or social separatism, segregation, or polarization have, in my opinion, no legitimate place in America.

I have been asked with reference to Federal Judge S. Hugh Dillin's mandate that several thousand schoolchildren in Indianapolis be bused in order to achieve better racial balance in public schools:

Since we disagree with the judge's decision should we obey it?

And some persons have said to me:

I will go to jail before I let them bus my kids.

While I can understand the frustration and resentment in back of some of these comments, I cannot and I do not condone willful defiance of duly enacted law or duly constituted authority. Without respect for the law and the legislative and judicial processes, our society would rapidly cease to be democratic and become repressive and authoritarian. Taking the law into one's own hands or feeling that one is above the law for some reason are an invitation to anarchy and tyranny and ought never be advocated nor condoned.

The Federal judge in question is a judge in the U.S. District Court for the Southern District of Indiana and he is in my opinion a judge of high intellect and unquestionable integrity, who is doing nothing but implementing the law and the Constitution as interpreted by the Supreme Court and understood by himself. His decisions have been upheld.

Consequently if the people disagree

with the Supreme Court or a Federal court's interpretation of the laws of the land with reference to busing of schoolchildren, they should in my opinion obey the law and the court orders while they are in force and work through their elected representatives in this constitutional democracy to change the law if they do not like it, and the Congress has an obligation to be responsive to the people's will and not bottle up nor sit upon their concerns or desires.

Then again it must be stressed that appropriate opposition to forced busing does not necessarily imply racism. We must honestly admit that a thread of racism runs through the antibusing movement but we must also recognize that many people support the movement because they live in a certain neighborhood and want their children to go to school in that neighborhood and they do not object to voluntary decisions on the part of local school boards regarding where their children are to attend school. They are not racists. They simply do not want anyone to force their children to go to school outside their neighborhoods and school districts.

The important point with these persons is not racial balance but quality education in the neighborhood school with whatever racial mix it may have.

In America we must never forsake our ideal of brotherhood and never abandon our commitment to building a society where the minority groups can live together with the majority in peace and equal justice for all. Our educational system must reflect that unity beyond diversity or quality education will never be achieved.

Opposition to forced busing must not be construed as opposition to blacks and whites sitting alongside each other in America's public schools, nor can we in the Congress ever abandon, as I have suggested on previous occasions in my remarks, yesterday and last March 15, our conviction that better housing and better jobs are essential for better education. We must never forget that the American ideal is an open society where equal housing and equal employment opportunities are available to all, and we must commit ourselves to working for the achievement of that ideal which in turn will reflect itself in improved educational opportunities for America's schoolchildren.

The battle has many fronts and we must fight it on all fronts at once. We must be outraged whenever we see injustice or inequality stalking our land and we must do what we can to eradicate it. We must be sensitive to the needs and aspirations of disadvantaged people in our society. We must show compassion and concern and couple that compassion and concern with the courage to act.

Moral imperatives at the heart of our democracy require no less.

MINNESOTA GOP'S NEIGHBOR TO NEIGHBOR FUND DRIVE BROADENS POLITICAL BASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

Mr. FRENZEL. Mr. Speaker, congres-

sional interest in election reform is high. The Senate passed a bill by a top-heavy vote, and the House begins hearings this week on similar legislation.

Some of the reasons for this interest are obvious: Watergate revelations have shocked the Nation; disclosures under the 1972 act have revealed enormous individual and group political contributions: Influence of so-called interest groups seems to be proportional to their political contributions: Political campaigns seems to require more and more money.

For answers to questions raised by this public concern, Congress ought to spend some time examining the Minnesota Republican Party's financing system. Most of the fund-raising energies of the Minnesota Republicans are spent on an annual door-to-door campaign called "Neighbor to Neighbor." Using volunteer solicitors to canvas Republicans and Independents—and occasionally a stray Democrat—the Minnesota GOP amassed the remarkable total of 52,344 individual contributions in 1972. Those 52,000 individuals, averaging only \$7.05 apiece, contributed about one-third of the Minnesota Republican Party budget for 1972. That average contribution of \$7.05 is up from \$6.13 in 1973, and \$5.88 in 1970.

The other two-thirds of the budget is raised by selling tickets to an annual dinner. It used to be called the \$100 Dinner, but since 15,928 individuals contributed an average of \$40 apiece in 1972, the old title no longer fits.

The Minnesota Republican Party therefore received its approximately \$1 million budget from two fundraising operations, both broadly based and geared to large numbers of small givers.

At a time when many Americans have genuine fears about the effects of "big money" on our political system, the Minnesota GOP has quietly raised its "little money" from thousands and thousands of Minnesotans who care about the quality of their government. Minnesota Republicans have done something no law has yet been able to do: They have laid political responsibility on the individual in Minnesota, and the individuals seem to like it.

In 1973, the Minnesota Republican Party has continued its fundraising operations. This year, 8,000 Republicans are calling on 165,000 of their neighbors. In this off-year, receipts will not be as high as last year. In addition, solicitors will have to remind Watergate-shy neighbors that their money will stay in Minnesota. But when its completed, the Neighbor-to-Neighbor campaign will still be the best and broadest grassroots, people oriented political fundraising campaign in America.

Whatever Congress does to the election law, the intent ought to be to stimulate individual participation, and reduce the influence of special interests. The Minnesota Republican experience is a good model.

DISCRIMINATION AGAINST INDEPENDENT FUEL DEALERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, the phase 4 regulations governing gasoline and fuel oil marketing have placed independent jobbers and dealers in an unfair and impossible competitive position. Unless relief is granted immediately, irreparable economic loss will be suffered by these small businessmen and this important source of fuel supply will be lost by consumers of their products.

These independent jobbers and dealers were ordered to roll back their prices to the gas war levels that were in effect on January 10, 1973. On that date, one of the severest gas wars to hit the independent fuel industry in years was in effect.

At the same time, major fuel companies were ordered to reduce their prices to May 15, 1973 levels, when prices were very near what they are today.

This disparity in economic stabilization regulations is difficult to understand and seemingly represents blatant discrimination against the independent petroleum industry.

Many independent jobbers and dealers have contacted me saying it is impossible for them to comply with this phase 4 ruling and stay in business. In fact, a survey by the Illinois Petroleum Marketers Association indicates that 75 percent of the independents in Illinois will operate under a substantial loss if they comply.

On July 31, I wrote to Cost of Living Council Director John Dunlop, protesting these regulations and presented him with detailed information how they would effect one independent in Alton, Illinois. That letter follows:

JULY 31, 1973.

DR. JOHN T. DUNLOP,
Director, Cost of Living Council,
Washington, D.C.

DEAR DR. DUNLOP: The new regulations governing petroleum under Phase IV create tremendous problems for gasoline and fuel oil marketing. I am enclosing a complete set of figures containing facts about volumes, margins, profits, and wages for an Illinois marketer, Piasa Motor Fuels, for the December/January periods of the past four years. These figures pertain only to Piasa, but I believe that further investigation will show that this is the pattern for most other marketers in the central Midwest.

These figures indicate that during the Phase II period of August, 1971, to November 14, 1972, fuel oil margins remained the same, while wages increased from \$4.70 per hour in August of 1971 to \$5.70 per hour on November 15, 1972—a total of \$1.00 per hour or 21.2%.

Like most distributors, Piasa decided not to raise prices on November 15, 1972, until they had received a financial statement for the full month of December in order to prove raises were necessary. They received this statement on January 20, 1973, and raised prices 1¢ per gallon on January 22, 1973. This raised their gross margin on retail fuel oil from 37.7% to 41.0%. This small raise of 3.3%, compared to the 21.2% wage increase during the same period, the fact that wages will undoubtedly go up another 40¢ per hour on November 15, 1973, and the fact that there is absolutely no chance for growth, are the minimum they can sustain and still remain active in the retail fuel oil business, Piasa feels.

You will note that Piasa's profits actually declined over a three-year period, while volume was increasing 32.6% in gallons and 42.6% in dollars.

In point of fact, the choice of the January 10 date has caused Piasa and other marketers extraordinary difficulties and breeds cynicism and lack of confidence in governing institutions.

According to Piasa, the following conditions existed in the Alton, Illinois, area on January 10, 1973, and May 15, 1973. The normal prices and margins are those which have existed since mid-1969 in this area.

The sub-normal prices around the first of the year were a carry over from the December sub-normals which were very common around the Midwest.

	Jan. 2, 1973, normal	Jan. 10, sub- normal	July 1, normal	May 15, formula	May 15, Change
Refinery price (net).....	0.1555	0.1125	0.1655	0.1655	Up 5.3 percent.
Motor fuel taxes.....	.115	.115	.115	.115	No change.
Illinois sales tax (5 percent).....	.0170	.0130	.0170	.0150	Up 0.2 cents.
Jobber margin.....	.0405	.0275	.0405	.0275	No change.
Dealer margin.....	.0810	.0610	.0810	.0610	Do.
Retail price.....	.409	.329	.419	.384	Down 3.5 percent.

The program designed by COLC will reduce the retail price 3.5¢ per gallon. The refinery will at the same time receive 5.3¢ more per gallon than on January 10, and the state of Illinois will receive .2¢ more per gallon in sales tax.

Only the jobber and retailer will be forced to operate on margins which are 1.3¢ and 2.0¢ less than normal. These are levels which will force most dealers and jobbers out of business if they are required to operate at these margin levels for a solid year.

I urge you immediately to establish a more reasonable date for marketers. January 10, 1973, seems to have been the most inappropriate choice of all those possible.

I realize the urgent need to keep petroleum prices within bounds, but at the same time it is also urgent to keep adequate supplies of petroleum products in the Midwest for the coming fall and winter seasons. Only fair pricing can assure that sufficient quantities of fuel oil and gasoline will be available when they are needed.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

To date, I have received no response from Mr. Dunlop nor any indication from any other source that would indicate that this injustice will be corrected.

Because the Cost of Living Council has failed to act on this problem, I am today introducing legislation that would compel them to end this discrimination and to set equitable pricing standards for all segments of the petroleum industry. My bill would amend the Economic Stabilization Act by prohibiting the "discrimination between petroleum marketers in the method of establishing prices for petroleum products."

Not only are the current pricing regulations discriminating against independents and forcing them out of business, they are also threatening the fuel supplies needed for food production and essential public services. The energy crisis continues to threaten the economic well-being of our country. We cannot allow unfair regulations by the Cost of Living Council to make it worse.

POLICY DETERMINATIONS BY THE DEPARTMENT OF TRANSPORTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, as a member of the Mass transportation Subcommittee of the Banking and Currency Committee, I believe I have a responsibility, along with other members of the committee to exercise legislative oversight. It is for that reason, I have taken a special interest in policy determinations by the Department of Transportation.

Let me again make my position clear. I regret that the Federal Government is involved in transportation matters. I believe that the public would best be served if transportation were handled by private systems, and if Government assistance were needed, that local and State governments should provide that assistance. However, the Federal Government is involved to an ever-increasing extent. I feel it is my duty, then, as a legislator on the appropriate committee, to carefully oversee the operations of UMTA and DOT in general. In the coming months, I expect to be looking into various aspects of urban transportation policy to insure that petty bureaucrats in Washington are not dictating unreasonable policies to State and local governments. I also believe that individual UMTA projects should be subjected to closer scrutiny because only by strict congressional oversight can we be assured that money will not be spent on boondoggles or programs which misinterpret congressional intent.

A recent interview by Transportation Secretary Brinegar in U.S. News & World Report touched on certain policy matters and because of the thrust of his statement, I wrote him to raise some questions. At the conclusion of my remarks, I will include the interview, my letter to the Secretary, and his answer.

In commenting upon the concerns I had raised, the Secretary made this statement relating to urban transit mode selection:

In the final analysis, it is up to local communities to evaluate, decide upon, and justify the kind of urban transportation system they desire.

I could not agree more. The Secretary has articulated a healthy philosophy which I hope will be enforced by UMTA. Of course, I assume the Secretary means that local communities will have to "justify" the selection of the system they desire to the voters in their jurisdiction. It would be very unfortunate if the Secretary's words were interpreted as meaning that the local communities would have to "justify" their selection to Federal bureaucrats, who have been elected by no one and whose main objective often appears to be "empire building." I am confident that the Secretary will send UMTA the same message he sent me. The word could not have come at a more appropriate time because I have received numerous reports of bureaucratic interference in local decisionmaking by UMTA officials and the Secretary's assurances are very welcome, indeed, as I look into these reports.

The above-mentioned interview and other items follow:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., August 23, 1973.
Hon. PHILIP M. CRANE,
House of Representatives,
Washington, D.C.

DEAR MR. CRANE: I appreciate your thoughtful letter regarding the recent U.S. News and World Report interview. Please be assured that I am not advocating that all U.S. cities adopt busways as the total answer to our urban transportation problems. I believe that rail transit systems such as BART or WMATA can be the backbone of urban transit for our largest cities. But full scale rail transit is probably inappropriate for most of the middle sized and smaller communities in this country.

The concept of light rail is receiving increasing attention by the Department and by the cities. Light rail in the United States has practically disappeared, except in a few cities where reserved rights-of-way contributed to the survival of the old streetcar systems.

It was at the insistence of the Department's Urban Mass Transportation Administration that the remaining light rail operators combined to develop a new specification for a Standard Light Rail Vehicle. The UMTA-sponsored project resulted in a design for a modern successor to the 1935 PCC streetcar, last built in the U.S. in 1952. San Francisco and Boston have already benefited from the new design by ordering 230 vehicles. Concurrently, DOT backed a commitment by these cities to upgrade their light rail systems with new track, power systems, signalling, etc.

A report was prepared for the Department in 1972, entitled *Light Rail Transit Systems—A Definition and Evaluation*. This report documented some of the current European practices and has excited a great deal of interest here at home. Cities such as Rochester, Austin, and Dayton are now considering light rail as a real option for the future.

Commuter rail is also an option which local communities should evaluate and implement if appropriate. The Department certainly stands ready to assist should a local community decide on that course of action.

I certainly favor a variety of rail solutions where feasible and appropriate. The busway and other highway solutions are applicable to a larger number of cities than rail. In the final analysis, it is up to the local communities to evaluate, decide upon, and justify the kind of urban transportation system they desire.

Sincerely,

CLAUDE S. BRINEGAR.

HON. CLAUDE S. BRINEGAR,
Secretary of Transportation,
Washington, D.C.

DEAR MR. SECRETARY: I read with interest your recent interview in *U.S. News and World Report*. If this interview is substantially representative of your thinking, then I must admit, Mr. Secretary, that I am somewhat disturbed by the narrowness of your approach to commuter problems.

Please understand that I am not a part of the antihighway lobby. Indeed, I have

been and will continue to be firm in my support of the Highway Trust Fund.

That does not mean, however, that I believe buses on exclusive lanes or improved local bus systems represent the best solutions to our mass transit problems.

I cannot understand why it is constantly necessary to set up BART-style rapid transit systems as straw men to be knocked down by the comparatively advantageous bus systems.

All over Western Europe and Japan, transit systems have adopted the light rail concept as a happy medium between the terribly expensive subway and the limitedly useful bus. Nowhere do you mention this concept as a possible solution, despite its proven record of limited costs, excellent service, and near-term applicability. When light rail is compared with busways, the costs are competitive and light rail systems can be implemented nearly as swiftly as busway systems.

Further, in many communities, commuter rail operations would be quicker and less expensive than rapid transit or busways and would provide direct access into the CBD (note the tremendous success of "GO Transit" in Canada). Here again, I see no evidence of this kind of practical thinking in your interview.

I repeat, I am not anti-highway. Quite to the contrary, but I am also not anti-rail. The tone of your interview suggests that you are committed to highway solutions of transit problems to the exclusion of other modes.

I would certainly hope you would broaden your view and examine the viability of other solutions to this very serious problem. I was happy, however, that you stated your continued opposition to operating subsidies for mass transit systems and look forward to working with you toward that end.

Best regards.

Sincerely yours,

PHILIP M. CRANE, M.C.

[From the U.S. News & World Report, July 23, 1973]

WAYS TO BREAK THE TRAFFIC JAMS
(Interview with Claude S. Brinegar, Secretary of Transportation)

Is there any solution to the traffic snarls that are threatening to strangle some parts of the country? It's a question millions of people are asking. Latest official proposals come from the Secretary of Transportation in an interview in this magazine's conference room.

Q. Mr. Secretary, what do you see as the best way to clear up traffic congestion?

A. What we need to do, most of all, is to offer people a better alternative to driving their own cars.

For the immediate future, in most cities the answer is expanded and improved bus systems, with parking lots on the edge of town and plenty of convenient distribution points inside the city. With proper organization you can have clean, good-quality buses scheduled at frequent intervals to move large numbers of people over exclusive lanes which guarantee a fast express service. Compared to alternatives, it can be a low-cost operation.

It's starting to work well at the nation's capital, carrying workers between the suburbs in northern Virginia and the District of Columbia in morning and evening rush hours. Other cities are also starting it.

Of course, the great virtue of this approach as a fairly quick solution to the congestion problem is the fact that the highways are there already, and you don't have to wait years for some new system to be laid down.

Q. Where do you see rail lines or new subways fitting into the picture?

A. Because of very high construction costs, there probably aren't more than a dozen cities in the country that really deserve a big rail system, such as BART—the new Bay Area Rapid Transit system that is going

into operation in the San Francisco-Oakland area.

Building a subway system, no matter how beautiful or fast it is, is not going to solve traffic problems unless something is done to control the way a city grows. And cities will not be reshaped overnight. That takes decades. Meanwhile, most of the big cities have serious urban-transportation problems that must be tackled now. I think they should do all they can right away with what they have available, and that means largely using buses, encouraging car pools, staggered work hours, and other approaches to balancing the traffic load to available capacity.

Q. Does any city in the country have a decent bus system?

A. No, but they're getting better.

Until recent years, transit systems generally were owned by private companies and more or less supported out of the fare box. During the later 1960s—a period of rapidly rising wage rates and other operating costs—these systems mostly got into bad financial straits. Equipment and service ran down, and many were on the verge of being abandoned.

The Department of Transportation stepped in under the Urban Mass Transportation Act and rescued most of these systems with federal funds. Now we're in the process of providing them with money for rebuilding on the basis of two thirds federal funds to one third from the locality.

Q. How successful is this program?

A. We think it's doing a good job. In 1972, for example, our Department helped over 60 urban areas improve their systems. We recently passed the 4-billion-dollar mark in contributing federal funds to capital improvements.

The downturn in ridership has, at last, been reversed.

Q. What else is your Department doing to make bus travel more attractive?

A. We are putting up research money to try out new kinds of bus services and equipment—for instance, buses especially designed to serve the handicapped.

In some places, very small buses—minibuses—are being used for what we call "dial-a-ride" experiments. People dial a number and the bus shows up, just like a taxi, and takes them around town.

Q. Do you see a day coming when public transportation will be made free as an inducement to get people out of their cars?

A. The larger cities may move in that direction. Urban transportation is going to be looked upon increasingly as an essential public service, like schools, fire departments and what have you. It may or may not be completely fare-free. Some communities may simply lower charges to encourage use. Atlanta has already moved in this direction with a 15-cent fare.

If transit does become fare-free, I think we should make sure—through co-ordinated city planning—that demands for service don't exceed the ability to provide it. Otherwise, rather than reducing congestion we may find ourselves trying to cope with more of it.

Q. Should the Federal Government provide operating funds, in addition to helping pay for new equipment and for the experiments you mentioned?

A. The Federal Government is very reluctant to step in and help a community cover its operating losses. That would raise some large problems. If the Federal Government were to pay for operating losses, I'm afraid it will end up having to judge the operating efficiency and fare practices of hundreds of local transportation systems around the country. We don't believe that's our role.

Q. Where do you draw the line?

A. We should be helping communities make sure they have the facilities for an efficient system and one that can provide good service. Decisions about fares, the number of

lines, employment and the like should be made locally. We want to see local service continue, but we don't think the Federal Government is the one to finance operating losses.

Q. How much money are local transit systems losing?

A. Right now, nationwide losses are approaching 500 million dollars a year and about two thirds of that is in the Boston and New York systems. Their systems have special problems that wouldn't be easily solved by a simple allocation of operating money around the country.

Q. Do your plans call for any increase in federal funds for urban transportation systems?

A. Yes. In addition to the Urban Mass Transportation grant program we have also tried to introduce an element of flexibility in the allocation of some of the highway-trust-fund money, particularly the 20 percent or so that goes to the cities. We would like to give local people the ability to use that money in a variety of ways, not just for roads.

Q. Approximately how much money would be available for urban-transportation programs if the Congress goes along with your request?

A. Between 800 million and 1 billion dollars per year would be eligible for either roads or transit, depending upon local decisions.

Q. Where would most of that money be spent in the next few years?

A. Most of it in the early years would still go for urban highways. Perhaps our excessive concentration on alternatives to highways has caused people to ignore their accomplishments. Highways have done wonders in moving people and freight, but we're worried about extending this trend another 10 years.

We should permit the use of some of the trust funds from now on for such things as buses, exclusive bus lanes, special traffic-control systems and, if a community wanted it, to help finance rail transit. We think such moves are necessary to help solve the urban-transportation problem.

POSSIBLE: A TAX TO LIMIT DRIVING

Q. What do you think of the idea of a special tax on motorists—say, on cars that carry only one person into a city in the morning and back home at night?

A. We may come to that—although I believe it would be a local and not a federal tax.

Eventually, congested areas may find it necessary to price freeway space very much the way we price movie theaters: The seats are cheaper in the afternoon than they are at night. If you want to use the freeway or expressway at 7 in the morning, you may have to have a sticker on your car that says "I paid for the privilege," while later in the day you will travel without a sticker.

The freeways and expressways have the capacity. It's just that about three or four hours a day they are enormously overloaded.

Q. Is it politically feasible to charge some kind of fee? The freeways will no longer be "free" if you do that—

A. They never were "free." Aside from the cost of construction and operation, which is paid for with taxes, the highways have generated high social costs. Damage to the environment, noise, and disruption of communities have been ignored much too long.

Q. Are we likely to have gasoline rationing within the next year or two?

A. I hope not, but it's possible. We are now going through a period when refinery capacity is not adequate. An accelerated period of construction is needed. This is starting, but it will take at least 24 months.

Q. Is there a danger that construction will be held up because of environmental objections?

A. It's possible, but since most expansion will be at existing refineries, I doubt it will be a serious problem. Most refineries have the ability to quickly add 10 to 20 percent to

capacity if the have adequate crude-oil supplies and are tied to pipeline systems.

Q. What might happen to require gasoline rationing?

A. We're presently in a precarious supply-demand situation. If two or three major refineries have emergency shut-downs because of maintenance or other problems, enough supply could be pulled out of the system to cause some localized but severe shortages. In that case, some allocation procedure would be needed to make sure fuel goes to the right markets.

Q. What's being done right now?

A. The Federal Government has issued a voluntary allocation order. Major suppliers have been asked to allocate their supplies proportionately across the markets they were previously serving. That's starting to have an effect. The farmers are plowing, truckers are driving, and bus systems are running.

Q. A lot of service-station owners contend they are having to shut down. Can anything be done for them?

A. They are being helped by the voluntary allocation program. But in the long run they will be best served by getting refinery capacity increased quickly, so the gasoline they have purchased in the past will be available once again.

Q. Are motorists going to be paying more for gasoline in the near future?

A. Prices will go up, especially as crude-oil costs go up, but I think the increases will be relatively modest. The current gasoline shortage isn't that large. Look back to last summer, when there was no real shortage. Demand has gone up maybe 5 to 6 percent since then, and supply has gone up perhaps 2 to 3 percent. The shortage is 3 to 4 percent, and should be manageable.

Q. Mr. Secretary, is driving becoming safer?

A. Yes, it is. I'm not sure what safety programs are the most successful, but something is working, because the fatality rate has fallen steadily since 1966.

People who designed the interstate-highway system properly take much credit for it. So do the people who design safer cars and train better drivers. In any case, the death rate in 1966 was 6.7 per 100 million miles of driving and was down to 4.5 in 1972. The rate declined last year, though total deaths went up a bit. We obviously have major unsolved problems still before us.

For the future, we are studying the air bag, different kinds of seat belts, and various other ideas to find out what we can do to improve the safety of the car, the driver and the road.

Q. When can we expect a decision on whether cars will be equipped with air bags?

A. That decision must await the outcome of a court case which ordered the Department to make the test procedures for the air bag more scientifically reproducible.

We have developed a provisional new test dummy and a revised test procedure. In the meantime we will be watching carefully the results of the 1,000 or so experimental production models that are equipped with air bags and are being driven daily.

Q. Why not do what the Australians have done and make it mandatory that everybody wear the seat belt and shoulder harness?

A. I'd like to. We've introduced a resolution in Congress calling upon the States to pass mandatory seat-belt laws. We will be pushing the States on this. I was pleased to read recently that both France and Puerto Rico have passed such a law.

Q. Will that kind of law really work?

A. I think so. I would like to be able to tell my children: "Fasten your belt. You'll break the law if you don't."

You do a lot of things because of the law. You carry your driver's license because of the law. You stop at a stop sign—at least I do—in the middle of the night even when nobody's coming, because of the law. And I

think a lot more people would wear their seat belts if there were a law requiring them to. The Australians report good results from voluntary compliance with their new law.

If we got the total up from the 25 per cent who wear them now to even 50 per cent, we'd obviously save a lot of lives.

Q. Would it be feasible to say that if you do not have your seat belt fastened, you cannot collect for personal injuries if you have an accident?

A. I have not discussed this with insurance people, but I imagine deciding whether the victim had his seat belt on at the time of an accident would be difficult. He might say, "I unhooked it when I panicked." It would be simpler to require you to wear your seat belt.

Q. Are you going to require interlock seat belts that have to be fastened before the car will start?

A. Yes. A final rule requiring those systems on all new cars goes into effect this coming August.

Q. How will that device work?

A. It's a three-point belt—the lap and shoulder belts are on a single-buckle system. Basically, you sit down, buckle up and turn on the ignition. Unless you follow that sequence the ignition won't work, or at least the car won't move.

Q. Why couldn't the motorist hook the seat belt behind him and sit on it?

A. The system is designed to demand driver action in a certain sequence. If the operator buckles the belt before occupying the seat this contradicts the system, and the ignition won't function. It has to be repeated in sequence after each unbuckling.

Q. Won't garages do a large business disconnecting these devices?

A. I hope not. It will be a violation of the law for anyone but the individual owner to do it or to authorize its being done.

Q. Will he find that difficult or easy?

A. It will be difficult.

Q. Is there any limit on how far the Government should go in laying down rules to protect lives?

A. Oh, there's a limit—a limit of reasonableness. But it's been decided in the courts that driving is a privilege that's subject to regulation. You're out in the public sector when you go on the highways that have been laid down with public funds. You've been licensed to drive there, and this exposes you to a certain amount of regulation. You don't have complete freedom.

And I think you must bear in mind that in an accident there's some evidence that a person without a seat belt is more likely to lose control of his car than a driver with his seat belt attached. When he loses control of his car, he may veer toward other cars or pedestrians.

There is a clear obligation to find some way to make driving safer, and I don't think a driver has the right to just go out on the road and disregard other people's safety.

Q. What comes after seat belts—the air bag and other mechanical devices?

A. I believe that the obvious "hang-on" things such as seat belts, padded dashes and the like have been pretty much all conceived of. Next we hope to work harder on improving the safety of the car itself. This has been the major thrust of the Department's Experimental Safety Vehicle—or ESV—program. We're following up with a new program for smaller vehicles, in the 3,000-pound class. That is the Research Safety Vehicle—RSV—program.

Q. Actually, how important is the car as a cause of motor accidents?

A. You've got three elements: the car, the driver and the road. While it's hard to sort them out, you can't get away from the fact that of the almost 60,000 annual highway deaths, excessive use of alcohol is involved in about half of them. I find that an ap-

palling statistic, and it points directly to the driver as the main culprit.

Q. What can you do to cut down on those deaths?

A. We're working on education and on enforcement. We think it's very important to get the message out to drivers, especially the young ones, about how deadly alcohol can be and what it does to your judgment.

Q. What seems to be the most effective deterrent to drunken driving?

A. Intensified surveillance, so that the drunken driver or the partially drunken driver realizes his chances of being picked up are very good. This also means a tougher attitude on the part of the courts—both the judges and the juries.

Q. Have you tried out mechanical devices that make it difficult, if not impossible, for a person who is inebriated to start his car?

A. I've seen reports on some of these mechanical devices, but they often seem too complex. Some sober drivers might even fail. It's simpler to use a portable device to measure the alcohol content in the blood with sufficient accuracy to be accepted as prima facie evidence that a driver has had too much to drink.

SALVAGING NORTHEAST'S RAILROADS

Q. Turning to other transportation problems: Is there anything the Government can do to prevent collapse of the railroad system in the Northeast, where the Penn Central and five other lines are bankrupt?

A. We have submitted a proposal to Congress that, we think, offers a reasonable approach. The bill would empower the President to appoint a board of incorporators—three members plus an advisory committee—to work with the trustees of the bankrupt railroads in creating what we call "core" rail service.

The Department of Transportation would specify the areas of the Northeast that should have freight service, based on the volume of business and a forecast of rail traffic. The incorporators would then design probably two railroads to serve the area, using tracks of the Penn Central and the five other roads.

Once they settled on the system, the incorporators would exchange stock in the new corporations for assets of the bankrupt lines. Then the trustee of the bankrupt lines could liquidate the loose ends not included in the new companies and settle with the creditors.

Q. What caused this breakdown?

A. There are some 30,000 miles of track in a market that can no longer support a system of that size. Too many lines are scrambling for existing freight business or are trying to serve markets that no longer warrant service. And the regulatory blanket laid on top of them has made it most difficult for the roads to adjust to the changed markets.

We think we can draw out of that overbuilt mess at least two healthy railroads. There's plenty of freight business in the area—but not for all six railroads as they stand today. There is simply too much duplicate main line and yards among the six bankrupts.

Our plan uses the maximum abilities of the private sector because, after all, the private sector is financing the other railroads in this country, including those that must compete against the new system we're trying to set up. Our studies indicate that these new corporations would, in time, be sufficiently profitable so that they could raise most of their capital needs from private sources.

Q. Why has this idea run into so much opposition?

A. It calls for a rather tough approach to some of the issues. You've got to sit down and negotiate and co-operatively work out the best solution. I suspect some people feel it would be easier for the Government simply to put up the money to make the negotiations less complicated. We feel this is neither

fair to the taxpayers of the nation nor the way to come up with the best solution.

Q. Is there a chance that the Northeastern railroads will be shut down if no agreement is reached on a plan for reorganizing them?

A. A big railroad has never been liquidated before, so we aren't sure. We are developing contingency plans for that possibility, however. We assume that the judge in the case would order a phased shutdown, and he would probably come to us and ask us for the essential routes of the system. I suspect the courts would try to keep these main lines going. We would certainly do what we can to help.

Q. What about having the Federal Government take over the railroads in the Northeast?

A. We're strongly opposed to this. It is awfully hard to nationalize a little bit of our very large rail system. It interconnects with freight systems all over the country.

The Norfolk & Western and the Chesapeake & Ohio compete in the Northeast, and, as things now stand, they are doing quite well. They've got cash and an ability to raise money. But we think it would be a fairly short time before the Government's heavy hand would unbalance competition rather badly. Other countries have found it very difficult to be partially nationalized.

Q. What will you do about rail passenger service?

A. Obviously, we need better high-speed passenger service in the Northeastern corridor. The density of population in the area demands it. About 20 per cent of the nation lives in about 2 per cent of the land area.

Looking down the road, airports will be heavily burdened, and certainly we won't want to put in any more highways than we have to. This offers a really good option for moving a lot of people by rail if we can compete with flying times, including the time taken getting to and from airports.

Our Department has studies under way to see how best to provide this service.

HOUSING FOR THE ELDERLY ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, today I am introducing legislation which would provide desperately needed housing for older Americans at a price both the elderly and the taxpayers can afford.

The legislation, the Housing for the Elderly Act of 1973, is the blend of a successful old program with a new twist. The bill would establish a direct loan program similar to the extremely successful 202 housing program for the elderly, combined with the elderly housing loan fund which would be a revolving fund operating outside the regular Federal budget and financed initially by U.S. Treasury notes.

This funding mechanism would circumvent the usual criticism of counting these repayable direct loans as budget outlays. This is not a mystical or sleight-of-hand budgetary concept—it is used by a number of State and local governments as well as foreign governments in financing capital investments such as housing.

This program would not be managed by the FHA, but would be administered similar to the old 202 program, by a staff of experts in elderly housing in the HUD regional offices. The entire section 202

staff numbered only 35 people at the height of its success. I visualize a similar lean operation.

Both the General Accounting Office and the Joint Economic Committee have estimated that the Federal Government and the taxpayers would save \$2 to \$4 billion over a 6-year period if the 235 and 236 interest subsidy programs were funded in this manner—because the elderly housing fund would be using the superior borrowing power of the Federal Government which could until recently borrow money at 5 percent rather than 8.5 percent—which can save as much as \$5.5 million for the taxpayers over the life of a \$3 million project.

The elderly housing loan fund would operate in the following manner:

The Congress would initially capitalize the account by authorizing \$50 million of budget authority in the form of debt authority.

This debt authority would give HUD the authority to borrow from the Treasury at the going interest rate on Government bonds and make direct loans to nonprofit sponsors of elderly housing at the rate of approximately 3 percent.

The gap between 3 percent and say 6 percent would be the effective subsidy which would be covered by an annual appropriation from the Congress.

The loans would then be repaid to the elderly housing loan fund which would become a revolving fund resulting in capital for further investment in elderly housing.

The loan fund would be treated as an off-budget account—in other words, the loans would not appear in the Federal budget as current outlays.

The only budget impact of the program is that the use of debt authority would be subject to the debt ceiling.

In order that congressional authority and oversight responsibility are not circumvented, the Congress must authorize annual limitations on program activity and administrative expenses.

Mr. Speaker, something has to be done and done now to increase the supply of adequate housing for the elderly poor. The search for a decent place to live has turned into a desperate struggle for survival for many elderly.

The elderly are caught in a hopeless crunch—most elderly live on low, fixed incomes and are faced with extremely limited construction of housing, rapidly rising rental and purchase costs, and a trend toward pushing the elderly out of older apartment buildings in favor of condominiums. These trends are all taking a serious toll on the ability of the elderly to find adequate housing.

For older Americans, housing is their No. 1 expense. They pay on the average 34 percent of their income for housing while younger households pay about 23 percent. Rents have increased in some areas by as much as 50 to 60 percent and with the cost of food rising at record rates, it is easy to appreciate the bind in which these people find themselves.

The Federal Government has played a major role in exacerbating this cruel situation. In January the administration announced a moratorium on further funding of public housing and the 236 program—the two most productive pro-

grams for adequate housing for the elderly.

Housing for the elderly has been especially hard hit by the moratorium. The administration was dead wrong when they labeled housing programs for the elderly as "wasteful," "ineffective," and "counterproductive." There was little if any scandal tied to housing for the elderly. For example, the abandoned 202 program has never had a default or failure in its 12-year history. It is interesting to note that the administration only stopped the subsidized programs—the majority of the scandals occurred in unsubsidized housing—203, 221(d)(2), in Philadelphia, Detroit, New York, and in other cities.

The major criticism that can be made about housing programs for the elderly is that we have not produced enough—only 70,000 units for the elderly were approved in fiscal year 1972 compared to the minimum level of 120,000 recommended by the White House Conference on the Aging. The demand and the need for more housing for the elderly is undeniable and is growing every day. A survey done by the Senate's Subcommittee on Housing for the Elderly revealed that as a very minimum one elderly person was on a waiting list for every unit currently occupied. However, the number of persons on the waiting list can be far below the real demand for housing. Many projects stop taking applications when the waiting list is so long that persons on the list cannot expect placement for a very long time—in addition many elderly become discouraged and do not apply. In my own district, in Taunton and Fall River, the waiting lists are intolerable. The Boston Housing Authority has over 2,100 elderly on its waiting list. However, they estimate that 10,000 could be eligible for public housing but do not apply because they feel the wait would be futile.

For older Americans, the waiting list can be a cruel state of limbo ending in frustration and even death.

Housing for the elderly has not been a waste, it has not been counter-productive, and it has not been ineffective—on the contrary it has been a godsend for hundreds of thousands of older citizens—but we need more—we need more especially today.

Mr. Speaker, at the end of my remarks in the RECORD, I would like to include an article that appeared in the Washington Post on August 25, 1973, by Bill Richards, entitled "Decent Housing Dwindles for Elderly Poor." It chronicles the desperate housing situation in which the elderly find themselves in the Washington area.

Mr. Speaker, we need to begin hearings at once to explore creative new approaches to the problem if this Nation is to keep its commitment to its elderly. I think the Elderly Housing Act of 1973 is a sensible beginning.

Also included in the Elderly Housing Act of 1973 are proposals for improving security for public housing projects, congregate housing for the elderly, an Assistant Secretary for Elderly Housing in HUD, a loan program for upgrading fire safety systems in housing projects for elderly, a House Select Committee on the

Aging, along with some suggested demonstration projects to aid elderly homeowners.

DECENT HOUSING DWINDLES FOR ELDERLY POOR
(By Bill Richards)

The search for a decent place to live has turned into a desperate struggle for survival for thousands of old people—who populate the ranks of suburban Washington's hidden poor.

In the glittering sellers' market of the luxury high rise and condominium they are caught in a squeeze between landlords' efforts to maximize profits and the escalating competition for the remaining moderately priced leftovers.

Sewer moratoriums that have limited the construction of new housing, rapidly rising rental and purchase costs and an increasing trend in the suburbs toward changeovers from rental to condominium apartments—all relating in part to the suburbs' new youth-oriented affluence—are taking a serious toll on the ability of the elderly to find adequate housing.

Interviews by The Washington Post with housing and social service personnel as well as with older persons throughout the metropolitan area indicate that many of the elderly on low fixed incomes are spending more than half their budget on housing, a level far above the government-suggested figure of 25 per cent as the maximum that should be spent for rent.

"I am absolutely amazed when I see the high percentage of their income that these old people are paying for housing," said Earl Morgan, director of the Prince Georges housing authority.

Hardest hit, say officials like Morgan, are the elderly poor. According to 1970 census statistics, nearly 60,000 persons over 65—or more than half the elderly in Washington's suburbs—are currently living on annual incomes of less than \$4,000.

Many of these people, according to reports from social agencies throughout the area, are doing without adequate food, medical supplies and basic household amenities to ensure that they will have a roof over them.

"Outwardly nobody knows that some of these people are in dire need," said Harriet Herman, head of Montgomery County's department of social services. "The front they put up sometimes looks nice but inside the cupboard is bare."

Montgomery County housing officials said that nearly all of their calls from elderly persons concern an inability to pay rapidly rising rents. "These people are just being priced right out of their homes," said one housing employee.

With a median family income of \$16,710—the highest in the nation, according to 1970 census statistics—Montgomery County has become somewhat symbolic of a suburb whose life-style is dedicated to its young and well off rather than its old and poor.

"It's very discouraging to see that in a county like this, where so many people have so much, there are people who are desperate for a place to live," said Mary Jones, director of the county's housing intake and placement service.

The housing authority gets calls and visitors almost daily, she said, from sobbing elderly persons begging for someone to find them a place they can afford to live.

Public housing, the recognized alternative for those who cannot afford a place to live in the private sector, was described by one suburban public official as "woefully lacking throughout the metropolitan area."

Montgomery, Prince Georges, Howard, and Fairfax counties have a total of 453 low-income public housing units for the elderly with an additional 977 units of moderate income federally assisted housing available. Neither type of housing currently exists in Alexandria or Arlington County.

Waiting lists of hundreds for these few units exist throughout the suburbs. The wait for public housing for the elderly can stretch into years, officials said.

When officials in Prince Georges County recently instituted a check of their waiting list of 800 elderly for the county's 163 existing low-income housing units they discovered that a number of applicants had died before their number reached the top of the list.

Eugene C. Schneider, acting executive director of the Fairfax Redevelopment and Housing Authority, acknowledged that some elderly poor, desperate for housing, have offered his staff members kickbacks from their small social security allotments for higher placement on the county waiting list.

"After us," said Charles Ross, the official in charge of the Prince Georges waiting list, "these people have nowhere else to go. A lot of them just don't have the time left to wait it out."

Prospects for additional construction of such housing are not promising, officials said. A federal freeze on funds available to the counties for new low- and moderate-income housing for the elderly has been in effect since January and has left a number of plans for additional projects in limbo. New federal legislation to loosen up funding is not expected to come up before fall.

Since the freeze went into effect, 1,652 units of low- and moderate-income housing that have already been proposed for the Washington suburbs have been held up.

In addition, housing officials said construction costs of moderate-income federally assisted housing already being built have risen so dramatically in recent months that such housing, financed in part by the Department of Housing and Urban Development's 236 Housing Program, is already priced beyond the means of many people dependent on social security.

A one-bedroom apartment, for example, in HUD's 236 program of moderate-income housing for the elderly in Montgomery County is presently priced between \$122 and \$132 per month. Social Security recipients, the primary applicants for such housing, receive anywhere between \$84.50 and \$266.10 a month after they reach age 65.

"For an awful lot of elderly persons, Social Security is all they have and it just isn't enough," said Mary Holbelin, director of housing programs for the Council of Governments.

"The only way some of these people can afford the rent is through very deep rent supplements," she said. HUD restrictions, however, limit rent supplements in 236 program housing to a maximum of 20 per cent of the units in a building, she said. All the rest of the occupants must pay in full.

Nevertheless, public housing for those who can find it appears to promise more relief for the financially strapped elderly in the suburbs than housing in the private sector.

Officials of both public and private housing agencies admit that the cost of shelter in the suburbs is already high and scheduled to go still higher.

The officials cite a number of intertwined factors that have caused the prices to go up recently.

Sewer moratoriums in Maryland and Virginia have halted development on large parcels of land in both states and have forced up the price of existing housing as demand increases. Houses in Fairfax County in the \$40,000 range have risen in value by \$6,000 in the last year, according to county officials.

The same factors that have limited housing are driving up the demand for rental space, according to John T. O'Neill, executive vice president of the Building Owners and Managers Association of Metropolitan Washington. Vacancy rates for the 247,000 rental units in the metropolitan suburbs, O'Neill said, amount to a slim 3 to 3.5 percent.

The average rent for a one-bedroom apartment in the suburbs was listed by O'Neill as: Arlington—\$135 per month; Alexandria—\$140 per month; Fairfax—\$175 per month; Prince George's—\$165 per month, and Montgomery—\$180 per month.

Landlords are increasingly converting rental apartment to condominiums as the demand for space picks up. O'Neill estimated that 70 per cent of the suburbs' new apartment construction is in condominiums. Twenty per cent of all suburban apartments either have been changed over to condominiums or are slated for such a change.

The prospect of facing a price tag of \$30,000 and up for what once was a moderately priced rental apartment often terrifies older suburbanites who have been struggling to meet rent bills according to Earl Morgan, Montgomery housing authority director.

"We recently had five such cases come in here one after the other and the conversion of older units in the suburbs has not yet begun to hit full steam," he said.

Many of the elderly in the suburbs have found moderately priced housing in apartments built shortly after World War II with government financing, he said. Most of these units—usually one or two-bedroom apartments in red-brick buildings—have not yet begun to be converted.

"If these start to go," said Morgan, "then we can expect the problem to get much more serious than it already is."

O'Neill predicted that conversions of these apartments would begin within several years.

Rent-control laws, in effect in Fairfax, Montgomery, Prince George's and Howard counties, have begun to spawn an adverse side effect on the elderly poor.

"We are finding in some cases that the less scrupulous landlords are getting around these laws by forcing out some of their older tenants and then boosting rents for new ones," said Joan Beck, a community relations specialist in Prince George's County Executive William Gullett's office.

Landlords have refused to renew leases once they expire, she said, and then have evicted elderly long-term tenants who are still paying low rents.

While they know of some elderly persons who struggle with problems like these, social service officials admit that one of the major problems facing them with regard to the elderly poor in the suburbs is finding them. The problem was brought up recently in a study done on the elderly by the United Jewish Appeal's Council on Aging.

Citing the large number of elderly with incomes of less than \$5,000, the council discovered that few of the persons it surveyed were willing to admit they could not meet their needs, a practice it called the "sweet lemon" reaction.

In its report issued this year the UJA defined the sweet lemon reaction as "the tendency to put the best face on any existing situation no matter how untenable it may be, which is so prevalent among the elderly."

"There is a kind of special pride among older people that you don't tell anyone when you don't have enough to eat at night or you can't pay the rent," said State Sen. Margaret C. Schweinhaut (D-Montgomery), chairman of the Maryland Commission on Aging.

"But don't let it fool you," she said. "There is an awful lot of affluence around here, but the poor in the suburbs are just as bad off as the poor in the ghettos of Chicago. They just hide it better."

PREVENTING ABUSE OF POCKET VETO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee of the Committee on the Judiciary which I chair will hold a 1-day public hearing September 12, 1973, on H.R. 7386, a bill which would prevent abuse of pocket veto power by the President.

Mr. Robert G. Dixon, Assistant Attorney General for the Office of Legal Counsel will testify on behalf of the Department of Justice.

The hearing will be held in room 2141 Rayburn House Office Building and will begin at 10 a.m.

In addition, the same subcommittee will hold a 1-day public hearing next week on a package of legislative recommendations forwarded to the Congress by the judicial conference.

Mr. William R. Sweeney will appear on behalf of Rowland Kirks, Director of the Administrative Offices of the U.S. Courts on Friday, September 14, 1973, to present testimony on behalf of H.R. 7723, H.R. 8150, H.R. 8151, and H.R. 8284. Each of these bills has as its focus certain of the many administrative problems facing the Federal courts in this country. It is hoped that the Congress can act to alleviate some of these difficulties if we find that legislative action is indeed warranted.

The hearing will be held in room 2141 Rayburn House Office Building at 10 a.m.

THE INFORMATION IMBALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 10 minutes.

Mr. HAMILTON. Mr. Speaker, it is no secret to any Congressman, political researcher, or citizen student of Congress that since Franklin Roosevelt's administration a severe imbalance in the power relationship between Congress and the Executive has persisted. The Executive has consistently assumed power and authority at the expense of Congress. Recognizing this imbalance, Senator ROBERT C. BYRD has recently suggested one reason for this shift in relationship:

There is no question but that the executive branch has stepped into a power vacuum. This in large measure is due to the fact that the Congress has not asserted itself at times when it should have.

One contributing cause to this imbalance is the so-called information gap or information differential that separates the two institutions. And here there is no question who has the advantage. The Executive totally overwhelms Congress in the field of information gathering and dispersal. Due to the executive branch's sophisticated techniques for gathering and analyzing data and the legislative branch's lack of them, Congress has been severely handicapped in head-on confrontations. As of 1971, for example, the executive branch was spending on the average of \$2 billion a year to operate 5,400 computers in 44 Federal agencies. Almost 88 percent of these were in the Defense Department, National Aeronautics and Space Administration, and the Atomic Energy Commission. In contrast, Congress today operates just three computers, for which only \$2 million is spent on personnel, equipment, maintenance,

and rental fees. And their primary use has been for housekeeping and administration, not for information storage and analysis.

But the equipment differential is only one aspect of disparity between the two branches of Government. A more serious and lasting problem is Congress' inability to secure its own adequate sources of timely data—data which would better prepare Congressmen to interact on an equal basis with the executive branch in the formation of public policy. This is such a fundamental problem that I wish to make some recommendations to remedy the situation.

RECOMMENDATIONS FOR REFORM

A. Better use of the present research facilities: At present Congress has at its disposal three research services. The Congressional Research Service—CRS—the major research service—is probably the most important due to its immediate connection with Congress and its general mandate for investigation. But it has failed to provide the indepth policy research required by Congress to overcome the information gap. Instead, the service easily becomes bogged down by the short term research Congressmen request be done for themselves or their constituents. Except for the assistance it offers committees at the beginning of each Congress, it also seems ill equipped to anticipate many of the future policy needs Congress should be apprised of.

With the 1970 Reorganization Act there is promise that the present facilities will be improved. The CRS has been given a broader mandate to increase its liaison with committees and individual Congressmen. And by 1975 it should have tripled its staff from its 1970 level.

Greater use of CRS could be made if all Congressmen were aware of the various services it can offer. Advertising CRS to Congress has been a problem in the past. Few Congressmen realize, for example, that the service will write special reports at the request of the Congress, assist the Congressman in research for conference preparation, provide limited legal analysis, and formulate detailed background studies on various matters. With an expanded staff CRS should be able to carry out these major services to Congress more efficiently.

In addition to CRS, the General Accounting Office—GAO—has increased its efforts during last year in investigating and reviewing current programs requested by congressional committees. In 1972, for example, GAO issued approximately 189 audits for individual Members involving a variety of Federal programs and activities from drug addiction to highway safety programs. In its studies GAO will generally attempt to assess the impact of Federal programs on economic development, employment, or on other specifically requested areas. But difficulties still remain in GAO's ability to respond to Congress demands. Until recently, for example, only some 10 percent of the work done by GAO's staff involved work initiated by Congress. And GAO personnel also have difficulties in obtaining necessary access to information needed for their reviews and evaluations.

Its major weakness appears to be its

primary strength. Its reputation for thorough investigations means Congressmen must wait many months for a response to their original requests. And its ability to respond is also necessarily narrowed by its focus on its auditing responsibilities.

The Office of Technology Assessment—OTA—the final associated research unit—has much promise but has not yet been funded. OTA will have as its main purpose to procure unbiased and competent information on the physical, biological, economic, social, and political effects of technological applications. This office will attempt to isolate any possible cause and effect relationships and to identify alternative technological methods of implementing specific programs. But in order to be useful, OTA needs to be immediately funded by Congress, and then, from all present indications, this office will prove very helpful in assessing future congressional programs.

In addition to making better use of these three auxiliary sources of information, Congress should also make greater use of two structural procedures for gaining information, that is, panel hearings and the joint committee structure. Panel hearings allow experts to exchange views before the congressional committees, permitting Congressmen to make their judgments and evaluations based on the firmer footing of original data; and the joint committee structure allows Congress to make the most use of limited research staff, combining the staff potentialities of both Houses of Congress.

B. Computerization. Supplementing these changes, Congress must begin using the computer to a much greater extent than it presently does. Computerization has barely begun in Congress. The total of \$2 million spent last year to operate three computers appears meager in comparison to the \$2 billion worth spent in the executive branch during 1971. What is so important is not the money spent but that with the lack of computer use Congress clearly cannot compete with the superior technology within executive agencies. As Senator WALTER MONDALE recently observed of information control:

Whenever I am on the side of the Administration, I am surprised with computer printouts that come within seconds to prove how right I am. But if I am opposed to the Administration, they always come late, prove the opposite point, or are on some other topic. He who controls the computers controls the Congress.

With more computers and a handful of experts, Congress could improve its situation significantly. Eventually Congress may find it necessary to have computer terminals conveniently distributed throughout the congressional office buildings. The Congressman and his staff could then analyze their own data center. Prof. Kenneth Janda of Northwestern University has suggested that putting computer terminals in each office would permit each Member the opportunity to instantly check information on the bill under consideration just before he goes to vote. The Congressman could then cast his vote based on more complete information about the issue.

A Congressman could also encourage the aid and assistance of academicians

and researchers within his own district to supplement his staff. He might encourage academicians on leaves of absence, sabbaticals, or on summer breaks to conduct individually contracted research in exchange for salary and publication assurances. Much of this expertise now goes unused within a Congressman's own district.

C. Increased legal sanctions: But updating the hardware of Congress and expanding present research facilities will not alone solve the major information gap that troubles Congress. There is the problem that has long plagued Congress of getting the right kinds of raw data to feed into the computer system itself. There is, in other words, an urgent need in Congress to gain access to primary sources of information—hard data of quality equal to that obtained by the executive departments. One possible answer is to force the executive branch, through wider use of the subpoena power, to more readily share its information sources with Congress. Already on the statute books is the Freedom of Information Act. But to be effective, it must be instituted to its fullest extent. As the House Government Operations Committee concluded in 1972:

The efficient operation of the Freedom of Information Act has been hindered by five years of foot-dragging by the federal bureaucracy. The widespread reluctance of the bureaucracy to honor the public's right to know has been obvious in parts of two administrations.

The number of situations where Congress is kept from sources of information is at an intolerable level. Norman G. Cornish, deputy staff director of the Government Operations Subcommittee on Foreign Operations and Government Information, reported to the National Journal recently that documents had been withheld from Congress on 13 separate occasions during Nixon's first 4 years in office. In addition, he said, there had been a number of instances when Congressmen have been denied information on a timely basis as a result of "obfuscation, stalling and lack of adequate documentation."

Administration spokesmen have also exercised executive privilege to such an extent that it has made the privilege meaningless and has crippled the machinery of government. Some limitations must be put into effect similar to those proposed in January of this year by the Senate Democratic Policy Committee, which held: "that all questions propounded by Senate committees be answered unless the President expressly pleads in writing that he has requested the witness to refuse to answer specific questions dealing with a specific matter because the President desires to invoke executive privilege."

If Congress finds the Freedom of Information Act does not give them enough authority to compel information sources from the executive branch, then more stringent and effective measures should be sought.

D. A research institute for Congress: But Congress must have more than borrowed data from the executive branch to rely on. One of Congress' most vital needs is to be able to rely on independent sources of primary data to strengthen its

position vis-a-vis the Executive. What is needed is an independent research institute for Congress, dedicated to the analysis of policy questions. CRS has never been able to achieve this goal. It remains a service to summarize and reorganize secondary source data without an ability to develop its own primary sources of information. An independent institute would provide Congress with answers to many of its critical and pressing needs. One plan for such an institute now being proposed would call for a staff of men and women of superior ability to analyze major policy questions, weigh alternative approaches, and make recommendations to Congress based on this research. An institute of exactly this type would serve as a long-needed source for innovative ideas to guide Congress in its decisionmaking. This proposal suggests an institute staff of some 50 to 100 senior and junior researchers made up of representatives of the research community, former congressional aides, and researchers from the executive branch familiar with policy analysis. These members would serve as the Washington core, with other experts called in from time to time to act as specialists on particular policy questions.

Most important, this plan recognizes that this institute should not be tied too directly to Congress, but should be financially independent to preserve its independence and a proper research climate. This, more than anything else, would prevent the institute from suffering the same fate as CRS, which has become overburdened with demands from individual Congressmen.

Lest this independent institute fail to serve the needs of Congress, an advisory board made up of Congressmen would keep the institute constantly apprised of the Congress' needs. Under this plan, the institute would strive to coordinate its research schedule with that of Congress so that the institute's findings would prove of maximum use in the legislative process.

In order to give Congressmen maximum time to educate themselves about the critical needs of the times, the institute is designed to anticipate policy difficulties before they mature. The plan also anticipates research results to be prepared in two phases: First, a tentative and concise version so that all interested Congressmen could make instant referral to policy information as the longer study progresses, and second, the longer term documented studies that Congress could rely on as detailed primary sources.

Since the financing of a group the size of 50 to 100 scholars would be substantial, the plan wisely proposes that the research institute undergo a testing period of from 5 or so years. This will allow legislators to assess its value to Congress before it becomes a permanent institution. Since outside funds would be sought for this period, the institute would not be an expense to either Congress or the American public.

SUMMARY

Making the changes I have suggested would, I am convinced, help to improve Congress' access to in-depth sources of information and assist Congress in regaining its position as an equal partner

among the three branches of Government. Since Congress can operate more efficiently if it is fully informed well before the time for decision, these reforms will help create a more responsive and effectively operated Congress. With more access to primary data, more effective use of present resources, and sterner measures to exact Executive cooperation, Congress will be in a much better position to accept, reject, or offer alternative proposals to Executive programs in the future.

THE RESULT OF FALSE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, not long ago a Member of the other body placed in the RECORD a statement deplored conditions at the Brooke Army Medical Center, which is in my district. In it, the Senator from Wisconsin cited "substandard conditions and mismanaged operations" at Brooke. As one who is familiar with that hospital, I feel that the RECORD should be corrected.

In reality, the quality of medical care at Brooke is outstanding. The personnel there are dedicated and effective. The hospital has produced one of the great medical research units in the country, specializing in the treatment of severe burns. No medical problem is more difficult than burn treatment, and no hospital in the country is more successful in this specialty than Brooke. This certainly is not the product of inefficiency or mismanagement. You do not become a pioneer in medicine without doing something right.

There are limitations at Brooke caused by the simple physical limitations of the buildings occupied by the hospital. If there are problems at the hospital, they are the result of false economies that have prevented modernization or replacement of facilities for many years. Even before the Vietnam war, the Army wished to make major improvements at Brooke, but was unable to do so because of limitations on funds. It is terribly ironic to read now that a leading prophet of economy in Government deplores the conditions brought about by that very economy, that very stringent limitation upon use of funds to provide for the needs of our soldiers, airmen, and sailors. It may be that there is waste in the Department of Defense—but there certainly has been no waste in construction of facilities at Brooke Army Medical Center. The facilities there have been used for more than their reasonable life, and stretched far beyond their designed purposes and capacities. This does result in limitations upon medical care, but it does not mean that the personnel there are doing less than their dead level best, nor that their management is inefficient. If that were so, Brooke would not have become a leading center for burn treatment and research, and it would not be able to handle the tremendous volume of care that it does every day, and it would have never been considered as the facility for treatment of a President of the United States. Presidents do not use hospitals that are less than the best, and

I do not think President Johnson would have used Brooke if he had felt it was mismanaged.

I agree with those who say that Brooke General Hospital would be better if it were new. I hope that those who deplore conditions there will help me obtain the funds for a new hospital. If the present personnel and management had a new facility, they could deliver superlative care—not just the very good care that they deliver now.

I think that if anything, the Army has done much more than might be expected, given the limitations imposed by the existing facilities at Brooke.

For example, it is a problem that the emergency room and cardiac care unit are in separate buildings. But I have studied this arrangement, and believe that the existing situation is the best that could be obtained. Moving the cardiac care unit would entail having to rearrange the whole hospital, for this reason: cardiac care involves several branches of medicine, and at Brooke, the Department of Medicine is in one particular building. It happens that the emergency room is somewhere else. Moving the emergency room is no solution because a great number, probably the majority, of its patients, do not require use of the medicine branch. They need to be in the building where the emergency room now is. On the other hand, moving the components of the cardiac care unit might help occasionally, but it would be no help at all if you needed surgery. In other words, given the physical limitations of the hospital, the present arrangement is the best that can be had. The only improvement would be to have a specially equipped transport to move cardiac patients between the emergency room and cardiac care unit. Short of building a new hospital, this is the best solution to this particular problem. Since the Army seems unable to obtain funds for a new hospital, it is doing the best it can with what it has.

It has been said that a problem at Brooke is that there is no adequate radio paging system. The only reason there is no adequate system is that the economizers have the money for the system tied up. If those who decry conditions at Brooke can help me get the money freed to buy the equipment for a complete paging system, I will be most grateful—as will the medical staff and administrators of the hospital.

I have seen nothing anywhere to support a claim that Brooke is delivering less than the maximum possible care for the people that it has available, and the facilities they must use. Not only are they delivering the maximum possible quantity of care, they are delivering a very high standard of care, and in some cases the best available in the country. That is not the product of people who are incompetent or do not care—it is the product of people who care very much, and who know what they are doing.

I would be the first to agree that Brooke General needs to be housed in a new facility—one that is up to date, and one that can accommodate the mission of the hospital completely and without

compromise. I have been working for several years to obtain funds for the physical upgrading of Brooke Army Medical Center, and I am proud to say that a very great deal has been accomplished. The major remaining need is for a new hospital facility, and I am working on that.

I hope to be able to say very soon that the Department of Defense is committed toward building a complete replacement for Brooke Hospital—and I hope that my colleagues will support the funds necessary for its construction. To deny the money for a new hospital would clearly be false economy today—as it has been in the past. Nobody has proved that Brooke Hospital is anything less than it can be. The only thing that has been proved is what the hospital staff has known all along, and that is that they could do better with better facilities. We ought to provide them the tools to allow them to do the very best work possible. They are already doing the best they can, and that is better than most.

JOINT STATEMENT OF MAJORITY LEADERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 15 minutes.

Mr. McFALL. Mr. Speaker, for the information of Members I am placing in the RECORD the joint statement of the House and Senate majority leadership issued following their meeting this morning.

JOINT STATEMENT OF MAJORITY LEADERSHIP:

SPEAKER CARL ALBERT, SENATE MAJORITY LEADER MIKE MANSFIELD, HOUSE MAJORITY LEADER THOMAS P. O'NEILL, JR., SENATE MAJORITY WHIP ROBERT BYRD, HOUSE MAJORITY WHIP JOHN P. McFALL

The President yesterday chose to pass judgment on the 93rd Congress. He described its work as "a very disappointing performance." The Joint Leadership notes that the Congress does not "perform" at the behest of this President or any President. The Congress acts in accord with its independent judgment of what is best for the nation and the people.

There are no apologies to make for this Congress. It has done, it is doing and it will continue to do the people's business.

A vigorous Congress has already addressed itself to a wide range of legislative activity and has a full schedule in the weeks ahead.

We are looking ahead to action on such important legislation as pension reform, manpower, including a public employment program to relieve areas of high unemployment—elementary and secondary education, health maintenance organizations, campaign reform, and other equally important measures.

A real spirit of cooperation will give us the Republican votes essential to put these programs into law.

Both Houses of Congress have demonstrated their commitment to fiscal responsibility by passing 1974 spending ceilings that are below the President's requests.

So far as appropriations are concerned, the final figures cannot be determined until all the bills are passed. The remaining bills, including the big defense and foreign aid bills, are still in the legislative mill. The Congress intends to carry out its commitment to fiscal responsibility in the development of these bills; if the President has suggestions for ways to cut these more costly

appropriations measures, we would be glad to hear them.

The 93rd Congress has already enacted one-hundred and six public laws for this year. Included is an act giving the President full authority for wage-price controls and other economic stabilization measures to combat inflation. Other important new laws passed by this Congress are an increase in social security benefits, an expansion of services for the elderly, an extension of twelve health care programs the Administration wanted to terminate, a four-year farm bill, a pace-setting highway bill which for the first time makes trust funds available for urban mass transit and an extension of the Law Enforcement Assistance programs.

Congress has also passed a far-reaching minimum wage bill which would grant coverage to seven million additional workers and which would bring farm workers up to their industrial counterparts and the Emergency Medical Service System Act.

In the final stages of the legislative process are important bills to set a fiscal 1974 spending ceiling and to restrict the President's practice of impounding appropriated funds, to limit the President's war making powers and to authorize the Trans-Alaska oil pipeline.

The Congress is working hard. We want to get the job done. But we cannot do it alone. We welcome help from any source, including specifically the White House.

As the elected Representative of the people, we will continue to pursue the legislative needs of the people and the nation.

HEARINGS TO REVIEW VISA-ISSUANCE FUNCTION OF DEPARTMENT OF STATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to advise the House that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary has scheduled a hearing on Thursday, September 13, 1973, concerning the oversight responsibilities of this committee with respect to the administration of the Immigration and Nationality Act.

This hearing will be held in room 2237 and will commence at 10 a.m.

This hearing will be concerned with the immigrant and nonimmigrant visa-issuing function of the Bureau of Security and Consular Affairs. The subcommittee is extremely interested in information relating to the method of assigning visa officers to the various consular posts as well as a review of the visa work loads of the various posts.

Testimony will be received from the Honorable Curtis W. Tarr, Acting Deputy Undersecretary for Management, Department of State.

THE MINIMUM WAGE VETO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON) is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, there is an old saying in the labor movement that when times are good you share the wealth and when times are bad you spread the misery. In other words, in times of prosperity all should share while in times of economic difficulty the burden should be

spread so that the load on each individual and family will be as light as possible.

I personally feel that this is a good philosophy which, under our democratic system, is rather equitable.

However, the President again demonstrated yesterday that this philosophy is not the policy of his administration when he announced he is going to veto the minimum wage bill.

Today's burden is particularly heavy for the economically marginal minimum wage employee and a veto of this bill will be a devastating blow to him.

The administration states the bill would be inflationary, increasing the minimum wage by 38 percent. The facts dispute this contention. Actually the first step of increase will be less than 25 percent with the remainder taking effect several months from now. This means that the minimum wage employees earning \$64 for a 40-hour workweek would receive \$80 a week under the first step of the minimum wage amendments to be vetoed. Statistically this might seem like an impressive rise but in dollars and cents I would say it was rather modest. Ironically, the administration last year supported an increase to \$2 an hour.

The second step would bring the weekly minimum wage salary to \$88 which, to my way of thinking, is not exactly an economic bonanza.

In the absence of this legislation there is no increase in the minimum wage at all. The 40-hour weekly minimum wage rate will remain \$64 as it has since February of 1968. In the meantime inflation has reduced the buying power of this \$64 a week by nearly one-third. According to the Department of Labor the cost-of-living index has risen from February 1968 to August 1, 1973, some 30.7 percent. At the same time, the cost of basic items such as food and shelter are increasing more rapidly than the overall cost of living. Just yesterday, as the President announced his veto intentions, Treasury Secretary Shultz warned that August's wholesale price index is going to reveal "astounding" increases with wholesale food prices possibly skyrocketing another 20 percent. The President admits, meanwhile, that his economic advisers have been making bad guesses but that they now tell him that over the next few months "we should begin to see some benefits" from the record-shattering interest rates we now suffer, the wage-price controls which have not heretofore been effective and efforts to increase food supplies which have not worked for various reasons. This is not a very encouraging assessment even when based on advice from counselors with a record of good guessing.

Mr. Speaker, there is not a great deal of economic hope in the heart of most individuals who must work for the minimum wage. And these are, for the most part, hardworking and conscientious people. Many of them work in the small factories of the Nation in industries beset by economic problems which have been aggravated by other policies of this administration. Many of them are domestics, most working for subminimum

wage now, who have never known the enjoyment of a 40-hour week or the security of a pension plan, earned vacations, or prepaid hospital and medical insurance. These are the people who work all night in our hospitals and nursing homes doing the cleaning and sanitary work which is so essential to the well-being of patients.

The assertion that an increase in the minimum wage to these individuals as provided by the Congress would be inflationary or deny employment to any group of workers is not valid. An increase in wages for these workers is not spent for luxury items but for essentials such as food, clothing, housing, and job transportation. In addition the Department of Labor has consistently refuted the allegation that a minimum wage increase creates unemployment for youth and/or other workers.

Mr. Speaker, a veto cannot be justified on the basis of the reasoning offered by the President yesterday. This increase in the minimum wage is not inflationary nor is it out of line with what the administration supported a year ago. It is not going to close the job market to young workers or restrict it for any workers. It is certainly not out of line percentage-wise when compared to the 30-percent plus erosion which the \$1.60 an hour wage has suffered since going into effect 5½ years ago.

It seems to me that this veto is just a way of making the little man pay again for the mistakes, mismanagement and bad judgment of the administration. If there has been any thread of continuity running through the Government's economic policy over the last 4½ years, it has been to tighten the screws on the little man, wage earner, salaried employee, the poor- and middle-class family.

Mr. Speaker, our doctors today no longer try to cure the ill by bleeding them to death. Nor can we restore health to our economy by draining the life's blood from an important human segment of that economy.

The veto is not in the best interests of the minimum wage earner, the economy or the Nation and should be overridden.

THE MENACE OF HANDGUNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, the widespread presence of handguns in our society has brought with it another summer during which pistols played a leading role in street crime and tragedy around the country.

In New York City, the problem of the "Saturday Night Special," a cheap and all-too-available type pistol, has been particularly acute. New York City has prohibited the sale or manufacture of these crude weapons, whose primary application is the commission of crime, but Saturday night specials continue to be produced and sold in other States, and felons who prey upon New York City's

citizenry have little difficulty in acquiring them.

The true solution to this problem plaguing America's largest city and countless other cities and towns throughout the land is a federally legislated nationwide ban on all handguns, except those legitimately utilized by law enforcement officials, military personnel, and bona fide pistol clubs. Until Congress takes this step, the efforts of individual State and local governments to curb the prevalence of handguns are bound to be frustrated.

Radio Station WINS in New York recently aired a fine editorial on the problem of the Saturday night special, and I am including it in the CONGRESSIONAL RECORD at this point:

NEW YORK'S BATTLE WITH THE SATURDAY NIGHT SPECIAL

(By Robert W. Dickey)

According to the head of the New York police department ballistics section, the city is still having trouble with the cheap handgun called the "Saturday Night Special." The manufacture and sale of this ugly little weapon is banned under a municipal law passed by city council earlier this year. But, the city's criminal element already has dreamed up an answer to the law that defies a purely local solution. For between \$50 and \$100 a weekend, a part-time thief can rent such a weapon for a holdup, commit the crime and then return the gun, which might incriminate him, to its criminal source. In the meantime, other hoods are making a nice profit out of buying these guns out of State for 15 or 20 dollars, and then making them available for rent.

We think it's time for Congress to put a stop to this racket. The only way the New York City ban on the "Saturday Night Special" will work is for Congress to enact a similar law on a nationwide basis. In the absence of a Federal ban, it's no trick at all for criminals to pick up these weapons for a song in other States and bring them into the city. We think that Congress should give this legislation high priority treatment so that we can have an effective law this year. While they're at it, the lawmakers should consider stiffer penalties for those who carry and use such weapons in the commission of a crime.

HEARINGS ON HOUSING AND COMMUNITY DEVELOPMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BARRETT) is recognized for 5 minutes.

Mr. BARRETT. Mr. Speaker, I am announcing today that the Housing Subcommittee will begin 3 weeks of hearings on October 2 on pending housing and community development legislation.

The principal legislative proposals before these hearings will be—

First, H.R. 10036, the "Housing and Urban Development Act of 1973," introduced by Mr. ASHLEY and myself;

Second, H.R. 7277, the administration's "Better Communities Act"; and

Third, the administration's housing proposals which are expected to be introduced within the next 2 weeks.

We will be taking testimony from administration officials, Governors, mayors, and other governmental officials, the financial community, and all segments of the housing industry. In addition, we will reserve time for Members of Congress wishing to testify on these and other bills.

Those wishing to testify should contact the Housing Subcommittee staff in room 2129 of the Rayburn Building. The telephone number is 225-7054.

TIME FOR CREDIT TO GREECE

(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, it is time for more realistic recognition by America of the extent of Greek support for the cause of world democracy. Despite fewer resources and less manpower than most NATO partners, Greece is in the forefront of those who man the defenses against world communism. Although they have not been provided with modern weapons as many nations have, they stand ready to meet defense requirements. At a time when many countries have turned their backs on the United States and opened ports to the Russians, Greece has provided needed base rights to our country without question. Without this the western defense of the Mediterranean would be almost hopeless.

For years a favorite whipping boy of the liberals has been the government of Greece which seized power from the king 6 years ago. Critics deplored the fact that Greece was under a military dictatorship even though it restored law and order and was generally supported by the Greek populace. Apparently they were unmindful of the prospect that a leftist hodgepodge with confusion and chaos might well follow if the military dictatorship were overthrown.

Now the critics are confounded. George Papadopoulos has been elected President, has been sworn in, and immediately promised amnesty for political prisoners and an end to martial law. He plans to form a political rather than a military cabinet and to speed preparations for general elections.

Foreign critics of the Greek Government now are resorting to a rehash of the charges which were leveled at the Government of Greece during the preceding 6 years, with little mention of the new proclamation and the fact that Greece now is governed under a constitution. It has been hard for the diehards among the critics to accept from the present government the very things they have so consistently demanded.

Undoubtedly, the government has been heavy-handed on occasion, but it has preserved order and under it the economy of Greece has been strengthened. The nation has continued to exercise its full responsibilities as an important member of NATO and has continued to be dedicated to the common defense of the democracies. The fact must not be overlooked that Greece is strongly anti-communistic at a time when so many nations are seeking accommodation with communism.

Despite carping and criticism from this country, the friendship of the government and people of Greece for the United States has been unwavering. The fact is there are close ties which have been in effect between Greece and the

United States for many years. The contributions of Greece to present day civilization and to democratic forms of government are well known and fully appreciated here. In addition there are strong family ties which result from those of Greek descent now living in America. They play a significant role in the U.S. economy. Sound thinking Americans appreciate the friendship of the people of Greece. They would like to hear this appreciation expressed more frequently by those in public office.

FEDERAL CRIMINAL CODE REFORM ACT OF 1973

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, as a lawyer, a Member of Congress, a member of the Committee on the Judiciary, and a former member of the congressionally created National Commission on Reform of Federal Criminal Laws, I am pleased to join ROBERT E. KASTENMEIER in sponsoring the proposed Federal Criminal Code Reform Act of 1973.

As a lawyer, I know how badly the criminal law needs an overhaul. It has developed through the years without any master plan; as a result it is replete with inconsistencies, inequities, and absurdities. For example, the "mental element" of Federal crimes is stated in at least 78 different ways in the existing criminal code—"willfully," "corruptly," "maliciously," "unlawfully," "wantonly," "falsely," "knowingly," "negligently," "voluntarily," "feloniously," to name a few.

Similarly, there are some 18 different sentencing levels prescribed in title 18, ranging from death to 30 days imprisonment, and 14 different fine levels from \$25,000 to \$50. Nor do the fine levels necessarily correspond with the gravity of the offenses. For example, there are some 150 offenses in title 18 which carry a maximum prison term of 1 year; yet there are at least eight different fine levels applicable to these offenses.

As a Member of the Congress, and particularly as a member of the Judiciary Committee of the House of Representatives, I recognize the obligation of the Congress to face up to the issues—many highly controversial—which a revision of Federal criminal law poses. I had the privilege of participating as a member of the Committee on the Judiciary when it processed the legislation which established the National Commission on Reform of Federal Criminal Laws. It was then, in 1966, that the Congress cast the die; it was then—7 years ago—that the Congress recognized the need for revision and recodification of the criminal laws of the United States, including the repeal of unnecessary or undesirable statutes and such changes in the penalty structure as the Commission may feel will better serve the ends of justice.

In the course of my congressional service since 1963, I have had many pleasant and challenging assignments and responsibilities. Being named by former Speak-

er McCormack as one of the original three House appointees to the Commission was one of the more pleasant and proved to be one of the most challenging. Until the press of other commitments compelled me to resign from the Commission in October of 1969, I marveled at the efficient way in which the Commission approached its monumental task under the leadership of the former Governor of my State, the Honorable Edmund G. "Pat" Brown.

Although some of the provisions of the bill I am introducing did not have the unanimous support of the membership of the Brown Commission, most of them did. Where we lacked unanimity, the majority view is incorporated in the bill. I, myself, observe the right to reject provisions of the bill. However, I join in its introduction because I believe the Commission's recommendations should be placed before the Congress in legislative form.

I recognize, of course, that a 300-page total reform of the Federal criminal law is a large order to serve up to any legislative body. But the need is great, and I have full confidence that the Judiciary Committee will rise to the need, hold extensive hearings, and make such amendments as the hearings indicate are necessary or desirable.

As a member of the Subcommittee on Criminal Justice, I welcome the opportunity to pick up where I left off in 1969 and to participate with Chairman HUNTER and the other members of the subcommittee in the consideration and shaping of what will be a landmark development in the criminal law of the United States.

HEIGHTENED INTERNAL SECURITY VIGILANCE NEEDED DURING UNITED STATES-SOVIET UNION DÉTENTE

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, on July 21, 1973, in the borough of Queens, New York City, U.S. Air Force Special Investigations Sgt. James D. Wood and a high ranking diplomat from the Soviet Union were arrested by the FBI on charges of engaging in espionage.

Found in Wood's rented automobile at the time were a large volume of confidential and classified Government documents and on the sergeant's person were many three-by-five file cards which may have contained the names of American counterintelligence agents.

The diplomat was identified as one of seven First Secretaries in the Soviet Embassy here in Washington—Victor A. Tchernyshev—and because of his diplomatic immunity he has been allowed to leave the country for reassignment.

I call attention to this case because it points up the need for heightened internal security vigilance during this period of so-called détente between the United States and the Soviet Union. It followed closely on the heels of Soviet leader Leonid Brezhnev's week-long visit for friendly discussions with President Nixon and his televised appeal to the

American people for better understanding for the Communist dictatorship he heads.

It is a fact of history that when Russia has smiled and extended the hand of friendship, they have tended to engage most heavily in subversive and espionage activities against those befriended.

For example, in World War II when the United States, Great Britain, and Russia were allied in mortal combat with Nazi Germany, Soviet espionage in Britain and America accelerated sharply. Throughout the Cold War years, whenever it appeared that a thaw was occurring and free world capitals let down their guard, Soviet agents invariably stepped up their efforts to pilfer classified secrets from the West.

No matter how much totalitarian Communist Russia may, from time to time, espouse coexistence, détente, greater diplomatic recognition, increased trade or cultural exchange, it seems never to abandon pursuit of undermining and ultimately "burying" us. This is something we can never afford to forget.

Quite coincidentally, at the same time the spy tale was unfolding in the press in late August—just a month after the New York arrests—stern warning to America and the West regarding détente's hazards emanated from Moscow. The brave and brilliant Soviet nuclear physicist, Andrei D. Sakharov took the unprecedented step of inviting 11 Western newsmen to his apartment to warn against détente with the Soviet Union. Sakharov said détente should be promoted only in response to a liberalization and democratization of the Soviet totalitarian system. He even urged adoption, Mr. Speaker, of Senator JACKSON's amendment which would deny trade benefits to Moscow until and unless restrictions on the emigration of Soviet citizens are lifted.

I am convinced his warning should be heeded just as history tells us that Soviet espionage and subversive involvement in the United States may well be stepped up with every new step forward toward closer ties between Washington and the Kremlin.

I now ask that two articles—the first dealing with the Sergeant Wood spy case and the second with Sakharov's amazing statement on détente—be inserted at this point in the RECORD as they appeared in the Washington Post of August 22, 1973.

[From the Washington Post, Aug. 22, 1973]

RUSSIAN DIPLOMAT IN SPY CASE NAMED

The Russian diplomat who was picked up by the FBI while he was making contact with an Air Force sergeant now charged with espionage was identified yesterday as a first secretary of the Soviet embassy in Washington.

Court papers made public yesterday identified the diplomat as Victor A. Tchernyshev, one of seven first secretaries of the embassy. Tchernyshev left the United States last Wednesday for reassignment.

Also filed in the U.S. District Court, Brooklyn, was an inventory on what the FBI found in the car of Air Force Sgt. James D. Wood as well as what he was carrying. The affidavit said Wood "had on his person numerous 3-by-5-inch index cards containing what appeared to be names written in Russian. A further investigation of the material

contained on these cards revealed it would be highly vital to the security of the United States and to the national defense."

Tchernyshev claimed diplomatic immunity after his arrest, with Wood, on July 21. He was recalled by his government.

Because it comes in the proclaimed era of Soviet-American détente, the Tchernyshev case has brought wide attention, but the State Department appears to be playing it down, possibly because of the détente.

One official said it was not a very important case but conceded that this was mainly because none of the papers changed hands. Tchernyshev was not well known in the department and officials there said they were not apprised of his duties in the embassy.

There was speculation by sources close to the case that the cards found on Wood contained names of Russians supplying information to American intelligence. With their identity known, these agents would become useless to the United States.

The FBI inventory said that hundreds of secret and confidential documents, almost all of them containing military information, were found in Wood's rented car. But there were others listed as FBI reports, such as one on a demonstration against President Nixon and another an FBI letter from San Francisco dated April 26, 1972, about "the bombing of the offices of Thomas J. McCammon, CPA 2275 South Winchester, Campbell, Calif."

Wood, an 18-year veteran most recently assigned to the Air Force's Office of Special Investigations, was being transferred from his post at Travis Air Force Base in California to Turkey. He was registered with his family at the Ramada Inn near Kennedy airport at the time of his arrest.

FBI agents picked up Wood and Tchernyshev after they made telephone contact in a public building in Queens. FBI agents said they found a letter on Wood containing painstaking directions for making a rendezvous and a suggestion that there might be more financial rewards for him.

In the letter, according to the affidavit, he was told to wear a blue sports jacket and to have a copy of Time Magazine sticking out of the right side pocket.

[From the Washington Post, Aug. 22, 1973]

SOVIET H-BOMB PHYSICIST WARNS WEST ON DÉTENTE

(By Robert G. Kaiser)

Moscow, Aug. 21.—Andrei D. Sakharov, the Soviet physicist who helped create a hydrogen bomb and later took up the cause of civil rights in Soviet society, today warned Western nations against détente on Soviet terms.

Speaking in his own bedroom to 11 Western journalists, Sakharov said détente would turn out to be "very dangerous" if it was not accompanied by some democratization of Soviet life and some reduction of Soviet isolation from the outside world.

He expressed satisfaction that many Western politicians "understand that rapprochement has to take place with a simultaneous liquidation of [Soviet] isolation." He said it was important for the U.S. Congress to pass the Jackson amendment—which would deny trade benefits to the Soviet Union as long as it restricted the emigration of Soviet citizens—both for its own sake and as a symbol.

The amendment should symbolize "the fact that rapprochement with the USSR must include some kind of control on this country, so it cannot become a threat to its neighbors," Sakharov said. An isolated Soviet Union able to pursue its aims secretly and "which hides its real face," could become a menace, he added.

The 52-year-old scientist made these comments at one of the most unusual press conferences ever held in Moscow. Sakharov called the meeting ostensibly to add a few comments to his report on an encounter last

week with a senior Soviet legal official, who warned him against continuing his contacts with foreigners. Sakharov's report of that meeting reached Western journalists Saturday.

Merely by inviting correspondents to his apartment—something few Soviet citizens would dream of doing—Sakharov indicated apparent disdain for the warning which M.P. Malyarov, deputy prosecutor of the Soviet Union, gave him last week.

Sakharov said he did not recognize the "institution of warnings" as practiced by the KGB (Committee for State Security.)

Sakharov sat in a low chair in his bedroom, hands clasped in his lap, and talked calmly for about 90 minutes with his visitors, who sat around him in a ring. He occasionally put on a pair of glasses, one of whose lenses was cracked, and occasionally coughed into a white handkerchief.

Because of his role as principal contributor to the Soviet hydrogen bomb (which earned him a place in the prestigious Academy of Sciences at the unheard-of age of 32), Sakharov's friends and other intellectuals have regarded him as virtually immune from serious reprisals. But Sakharov has become increasingly more outspoken, and the authorities' warnings have become increasingly ominous.

Discussing dissident intellectuals at today's press conference, Sakharov observed that "the ranks are getting thinner and thinner because of much stronger reprisals in the last two years. It's a great injustice and personal tragedy for a great many people."

He could never think of the tiny band of dissidents as "a movement," Sakharov said. And he was sure that if you looked down on them "from above" (i.e., from a position of power), "I also think you would see no movement."

"The authorities shouldn't have any reason for disquiet, and even less for repression," he said. "Any grounds for disquiet exist only inside themselves." He also said that those in power have "a separate way of thinking—they probably can't react any differently."

Speaking of his own activities as a member of the tiny Moscow Human Rights Committee, Sakharov said he wanted it understood that they were always "loyal to the law" and had no political character.

Discussing his personal situation, Sakharov said he had no material difficulties. He lives in a three-room apartment with his wife and her family by a previous marriage. His income in 750 rubles (more than \$1,000) a month, derived from membership in the Academy of Sciences and his position as an associate in a research institute, though he says he is doing very little work these days. This is a high salary by Soviet standards.

But, Sakharov said, pressures have been put on him indirectly. His wife's 23-year-old daughter was expelled from university in her final year, and the daughter's husband lost his job. His wife's 17-year-old son was denied a place in college this year and was told he was "marked."

Son, daughter and the daughter's husband have all been offered scholarships at the Massachusetts Institute of Technology, Sakharov said, but their applications for visas to go to the United States, filed five months ago, have never been answered.

Sakharov revealed at the press conference that he contributed his life savings of about 139,000 rubles (about \$200,000, a staggering amount for a Soviet citizen to accumulate) to the Soviet Red Cross in 1969, but that he now regretted this move. He did not explain why.

He said there might be more pressures against his family and friends, "and of course, something might be done to me personally, but you can't make any predictions."

INTERNMENT OF MARINA TIEMKIN,
14-YEAR-OLD SOVIET JEW

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, recently, I received a letter from Rabbi Laurence D. Lauer of my district appealing for help on behalf of a 14-year-old Soviet Jew, Marina Tiemkin.

Her case is not unlike thousands of others but each one deserves whatever spotlight we can direct upon it until the Kremlin relaxes its suppression of people because of their religion, their aspirations, and their creativity.

I would also use this occasion to point out, Mr. Speaker, that we must not forget that while much of the free world's attention has been focused on the admittedly horrifying plight of the Jewish people of Russia, millions of would-be Christians, Moslems, and others with religious convictions are constantly being harassed and persecuted in the Soviet Union and in the Communist satellite countries of Eastern Europe.

In the hope that the glare of publicity may, in some small way, help Marina and those of her compatriots wishing to emigrate to Israel, I include Rabbi Lauer's letter to me and the supplementary information he provided about Marina's special care at this point in the RECORD.

B'NAI B'RITH HILLEL FOUNDATION,
August 6, 1973.

Representative RICHARD ICHORD,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE ICHORD: I am writing to protest the internment of Marina Tiemkin, a fourteen year-old Soviet Jew who is being forcibly held in a "Pioneer" youth camp on the Black Sea which specializes in "re-education," where she is under great pressure to forget her Jewish heritage and desire to go to Israel.

The predicament of Marina and the thousands like her in the U.S.S.R. is deplorable and cannot be tolerated. I appeal to you to speak out against this inhumane situation and ask that you use your influence on behalf of the rights of Soviet Jewry.

This task becomes particularly significant when one recognizes the moral issues involved. Certainly, by taking a forceful stand for Marina and all Soviet Jewry, you are also committing yourself to the inherent dignity of mankind.

As I increasingly hear of the warming of relations between the United States and the Soviet Union I trust that the human rights of Soviet Jews will not be sacrificed for the sake of political expedience.

Shalom,

Rabbi LAURENCE D. LAUER.

THE STORY OF MARINA TIEMKIN

On a cold day in February 1973, 14 year-old Marina Tiemkin was forcibly kidnapped from her home by Moscow police. While her father protested angrily, Marina was taken kicking and screaming, without hat or coat, to a waiting car. Her captors beat her as they dragged her down the stairs.

For some time, no one knew where Marina was. Soviet authorities refused to tell. Though her parents lived in the same apartment, they are divorced, and her mother refuses to have anything to do with Marina because Marina wants to go to Israel.

Finally, at the end of March, Marina called her father, Alexander Tiemkin. She'd been flown to Orlenok, a "Pioneer" youth camp near Tuapse on the Black Sea for "re-education", and she had succeeded in slipping away from the group for a few minutes while on a trip to phone. Alexander, who is a PhD in physics and mathematics, travelled immediately down to the camp and managed to see her alone for a few minutes before being discovered by camp officials. Marina was amazed to hear that her eight letters to her father had all been stopped. "They didn't allow me to phone," she said. "They told me the mail was working normally."

Marina staged a four-day hunger strike when she arrived at the camp, but was forced to carry on with camp activities nevertheless. "If you suffer a little, it's nothing," the camp director told her. "He's a real sadist," Marina told her father. Marina is the only Jew in the camp, which specializes in Soviet doctrine and military-type activities. "God forbid what an attitude to Jews they have here," she declared.

Alexander went to ask for help from the principal of the special French school Marina attended in Moscow, who told him that "Marina is being saved from your influence so that she should be brought up as a Soviet girl". In the camp, Marina is constantly watched; her letters are intercepted, and she is under great pressure to forget her Jewish heritage and desire to go to Israel.

Marina's problems began in April 1972 when her father applied for permission to emigrate to Israel. Her mother, Maya Markovna Raiskaya, a child psychiatrist, agreed reluctantly at first, for a month later began divorce proceedings to try to convince Marina to stay with her in the USSR. She evidently felt that her job as a senior scientific worker at a branch of the Moscow Academy of Educational Sciences would be threatened if her daughter left for Israel. Her threats and insults against her daughter grew much more serious, and at one point a district department of education suggested that she give her daughter to the State since she could not cope with her.

In May 1972, despite her mother's wishes, permission was granted to Marina to leave for Israel with her father on October 19th. When they went to pick up their visas, however, they were told a visa had been issued only for Alexander. Marina's mother had been busy at work: Three weeks later, Marina and her father were snatched from the street by the Moscow police and detained for seven hours. During this time, they were told a hearing was set for November 9th, and the court had decided to return Marina to her mother's custody. The court wished to "restrict Tiemkin's participating in the upbringing of his daughter" because he is "a bad influence".

Alexander appealed this decision, but on January 17, 1973 lost the appeal. The judge stated that there was no doubt that Alexander was a loving father, but his Zionist activities and efforts to emigrate to Israel proved he was an anti-social influence. The judge based her decision on three points of "evidence": that Marina ate *matzah* on Passover, that she refused to wear her Pioneer tie to school, and that she considers herself an Israeli citizen.

On the day before her abduction, Marina wrote an open letter to "all organizations throughout the world concerned with the protection and care of children", telling of the threats to take her away for "re-education". "This will be done to compel me to renounce my desire to live in Israel and to force me to renounce and forget the fact that I am a Jewess. I will be prevented from studying the history of my people, the Jewish people, learning the Hebrew language and celebrating our national Jewish holidays". A few weeks before, Marina had emphasized her feelings in a secret press conference at which she and her father spoke to foreign newsmen.

In an appeal to the children of the world, Marina wrote that the principal of her school in Moscow threatened she'd be put in an insane asylum if she did not change her

ways. "I am very afraid these threats will be carried out. . . I beg you to give me whatever help you can," Marina pleaded.

As Marina is being held in the camp, Alexander has been summoned to police headquarters several times, and charged with "parasitism"—not holding a job. He had been dismissed from work almost immediately after applying for a visa. However, Tel Aviv University has officially declared him a research associate to help protect him against this charge.

Alexander has repeatedly pointed out that he and his daughter are no longer Soviet citizens, having paid all exit fees, including the renunciation of citizenship fee. He states that he and Marina both hold Israeli citizenship no. 654, and according to Soviet law it is illegal to cancel exit permits because this "means the granting of Soviet citizenship to foreigners without their having requested it." "We are foreign citizens interned in the Soviet Union even though there is no state of war between Israel and the USSR," Tiemkin declared.

Tiemkin has appealed to Jewish organizations throughout the world to help obtain Marina's release from the camp. He reported that, "as punishment, the authorities committed another act of cruelty—they did not allow me to leave Moscow to be able to spend my daughter's birthday with her, using the court case fabricated against me. On the day of her birthday, May 1, they even interfered with my attempt to telephone Marina to congratulate her".

"All these efforts to 're-educate' Marina were in vain. Her desire to live in Israel . . . had become even stronger. . . Her further forced detention in the camp is simply sadism".

During Soviet leader Brezhnev's U.S.A. visit, Alexander held a six-day hunger strike to release Marina. Fainting with weakness, he finally had to end the protest.

Marina herself has written, "I want to live in my Homeland, to speak Hebrew, to study our history. I would go to Israel alone, even if my parents would not want to go. . . I am a Jewess and cannot live without Israel. Please help me!"

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1973.

Rabbi LAURENCE D. LAUER,
B'nai B'rith Hillel Foundation,
Columbia, Mo.

DEAR RABBI LAUER: I appreciate and share your concern for the internment of Miss Tiemkin by the Soviet Union and will call the matter to the attention of the House of Representatives when we reconvene in September.

Recently, I had occasion to once again alert my colleagues to the mistreatment of intellectuals in Russia and I addressed an appeal for clemency to the Soviet Ambassador Dobrynin. I enclose the Congressional Record report of my remarks in this regard in the event it had not previously come to your attention.

As you know, I am particularly critical of some of the seemingly over-eager efforts by us to promote greater cultural and trade exchanges with the Kremlin and Peking while their governments remain so oppressive to their people and politically hostile to the free world.

I am glad you sent me the material on Miss Tiemkin and I assure you I will do what I can to focus attention on her case.

Sincerely yours,

RICHARD H. ICHORD,
Member of Congress.

IS THIS DÉTENTE?

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, at a time when we have all been reading and hearing so much about a new spirit of détente and mellowness between ourselves and the Soviet Union—on the basis of which, we are told, we can safely do away with any concern for a strong national defense, and can profitably sell our resources and technical know-how to the Communist bloc—it comes as something of a shock to realize what actually happened to one individual American citizen this summer in the Soviet Union.

All he wanted to do was visit Russia briefly as a tourist in company with other lawyers and judges. His only "crime" was a mixup in dates on his Russian visa, where an intended "2" became a "12". Yet the sequel reads like something out of "Darkness at Noon" by Arthur Koestler.

One wonders, Mr. Speaker. Have the leopard's spots really changed? Is the hostility really gone; has the threat really vanished? Or did this one, brief incident somehow pull away the curtain for a moment and show us that behind the new "Spirit of Camp David" the same real, brutal monolith remains?

In any case, the following story from the Albany Knickerbocker News of August 28 will be of interest:

A WEEKEND OF TERROR IN MOSCOW

(By Larry Brown)

At 5:30 p.m. on Friday, Aug. 3, Albany attorney John B. Justice arrived in Moscow, and the vacation he and his wife Jane had anticipated with members of the New York State Trial Lawyers Association, he says today, "was spoiled from the time I put foot in Russia."

Justice, with visa and passport in hand, was being routinely passed through the airport in Moscow when a guard slapped an alarm.

Instantly Justice was pulled out of line and made to stand against a wall. His wife, other members of the party, and the group's luggage had passed through. A couple of members of the group, which included seven state supreme court judges, yelled back at him that they'd call the American embassy.

For 3½ hours Justice waited. He said he was nervous and frightened. Then he got a call from the American Embassy. They told him:

"Above all don't lose your temper. Be calm. Don't make any mistakes. Don't say anything. Keep quiet, we have very delicate relations here."

Justice said he didn't find the call very reassuring, but by then he had pieced together what had happened.

In order to go to Russia, in addition to passports, Americans need visas. These are prepared at the Russian Embassy in Washington, D.C. They require three photographs. As Justice was boarding the plane for the trip, he was handed a visa.

The visa should have cleared him from Aug. 2 to Aug. 15. Instead, a clerical error by the Russian embassy had made it Aug. 12 to Aug. 15.

His was the only incorrect visa among the 40 members in his group.

"The embassy told me the Russian authorities were closed for the weekend," Justice said. "I wanted to buy a ticket out of there and arrange to meet my wife in Dublin. I thought I had enough money to get me that far."

He was advised to be patient, because if he left he would lose all the money he and his wife had invested in the trip.

At 10 p.m. on that Friday he was taken from the Intourist zone by "guard or guide"

through a checkpoint to the International Zone of the airport where people whose planes made connections through Moscow waited for their flights.

There was a restaurant there. Justice struggled with a menu printed in Russian and managed to order a boiled egg and milk. The egg was gray inside, the milk heated, and, thinking about his ulcer, Justice decided to forgo dinner.

He was taken back through the checkpoint. About midnight he was asked if he wanted to go to bed, and he said yes.

"They took me across the street to a three-story, gray stone building they said was a hotel. The guard rang the bell to get us in. The first two floors were unoccupied. On the third floor they turned me over to a matron who locked the door behind me.

"I was required to sign in, and then shown to a room about 7 by 10 feet, with a three-foot wide cot covered with a bed spread. Alone, I spent half an hour killing flies and mosquitoes.

"It was hard to get near the bathroom because of the stench of the place. There was a tub about four feet square, with three steps leading down into it, but it was so dark I couldn't tell how dirty it was and was afraid to use it."

Justice had no clothes to change into because his luggage was gone. When he asked, he was taken back across the street to the International Zone restaurant for meals where his struggles with the menu ended in disaster until he hit upon macaroni and cheese.

That he found edible.

Once he asked the guide what the name of his "hotel" was, and was told, "It has no name."

"Why am I being imprisoned?" he asked, and guards indignantly denied he was being imprisoned. "Then why am I being locked up under guard?" he demanded.

They in turn demanded to know why he had called the American embassy. He denied that he had, saying the embassy had called him.

He met six people who had problems similar to his. One woman he didn't get a chance to talk to, from Canada, was in tears. He met a doctor and his wife from New Jersey who were being held.

He also met a man named Kelvin M. Cordell, advance manager for The Australian Ballet, who had visa trouble. Cordell had a room on the same floor at the no-name hotel.

Cordell once demanded to use the telephone and was told that if he persisted they'd call the police. He was frightened, and told me, 'At least while I'm here I know where I'm at.' He said he hadn't even wanted to go to Russia but had been invited," Justice said.

Justice got sick with his ulcer and was asked if he wanted a doctor. "I was afraid to see a doctor, I was afraid he'd give me some kind of an injection," Justice said.

Just before he left Albany, he recalled, he'd met a couple from Belgium who advised him and his wife not to go to Russia. "He told me a group from Belgium had gone and two couples never returned," Justice said.

At one point Justice had to fight hard to control his temper and follow embassy advice.

"A young soldier at a checkpoint, maybe about 20, made me stand against a wall, then he'd wave me to the left, to the right, forward, and backward." Justice said the soldier called out another soldier to enjoy the performance, and both laughed.

The American Embassy had assured Justice that because he was a state commissioner it would expedite his release. Justice is a member of the New York State Legislative Bill Drafting Commission. Apparently this didn't help.

At 3 p.m. on Monday, a black car came and Justice was taken to the hotel where his wife

was staying. After his captivity he relished a bath and change of clothes, but he said he was in a negative frame of mind and couldn't enjoy the remainder of the tour.

Once when the group's tour bus passed the American embassy they saw the American flag flying, and they burst out singing "America the Beautiful."

In the group, Justice said, "No one has a desire to return, and most, if they had known in advance, probably wouldn't have wanted to go there."

In retrospect, Justice said, "It sounds self serving, a sort of hero thing, but it was better that I be involved than the two children in the group—they were 8 and 10—or one of the women."

He said he was haunted by seeing the Canadian woman in tears.

"I didn't feel good until we were out of Russia and landed in Helsinki, Finland," Justice said.

THE PRESIDENT'S NEWS CONFERENCE RETURNS THE NATION'S ATTENTION TO THE REAL ISSUES OF THE DAY

(Mr. ZION asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ZION. Mr. Speaker, the President, in his forceful news conference of yesterday, was able to return the Nation's attention once again to the real issues of the day. Though some persistence remained on the part of the interrogating media present to dwell on Watergate, the President apparently had made his point well; America has indicated a strong demand on the part of her citizens for the Government to get busy and deal with real crisis areas— inflation, national defense, the energy shortage, to name a few.

The President has laid to rest, in these two press conferences, the charge that he is afraid to meet the media head on. He demonstrated yesterday his willingness to meet his questioners and his critics head on and I believe he acquitted himself well on all counts.

A free exchange between a President and the news media is a vital ingredient to the flow of ideas and information in free society. Such exchanges call for temperance and restraint by both sides. President Nixon has undoubtedly lived under tremendous pressure in these past months in view of the many areas of controversy surrounding the White House. His recent appearances with members of the press indicate Mr. Nixon continues to hold a strong, competent hand on the tiller of Government and I believe the ship of state will weather all current gales.

OIL BLACKMAIL

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, events in the last few days have put the United States in a most precarious position in the Middle East. The recent nationalization of the holdings of American oil companies in Libya, the raise in prices of crude low-sulfur oil by Libya to over \$6 a barrel, the threats from Saudi Arabia to cut back on oil production unless the

United States abandons its support for Israel, all betoken America's distressing new vulnerability because of our growing dependence on Middle Eastern oil.

While the oil which we import from Libya is less than 2 percent of our total daily consumption, that oil is important because of its low sulfur content. We have, because of our desire to clean up the air in our cities, become reliant on Libyan supplies, particularly for heating oil. Any cutback in production, or rise in prices, will have disastrous consequences this coming winter. We were lucky last year, because the winter was fairly mild. Will we be as fortunate next year?

Many people would have us believe that what the oil-producing Arab States are now doing is merely another way of expressing their legitimate nationalistic aspirations. These nations, certain Middle East "experts" say, have long been exploited by the American oil companies and are now only asking for a right to profit from the exploitation of their natural resources. I do not understand how such statements can be made when every time a nationalization or price increase is announced, it is always described as a "slap in America's face," or a warning that we must change our policy toward Israel. This is nothing more than the most despicable, underhanded blackmail.

In his press conference yesterday, President Nixon was asked about his response to the Arab blackmail attempts. The President is aware of the ramifications which this situation has on our relations with Israel. He has indicated in his statements that he holds Israel to be equally at fault in failing to end the Mideast impasse with the Arabs. Could this mean that the President is laying the groundwork for weakening our ties with Israel in order that the United States may continue to enjoy its oil supply from Libya and Saudi Arabia?

I would contend that, should we give in to this blackmail, even in the slightest amount, the Arab States will not stop until they have completely broken our ties with Israel and, yes, even destroyed that valiant nation. I cannot accept even the slightest indication of improved relations with Arab nations at this time, for the simple reason that it will appear that the United States is giving in to their demands.

A nation's foreign policy must reflect a firm commitment to actions which are in its best interests. It may appear that, in the short run, we should do what the Arab States want. All summer long we have been fighting against fuel shortages and high fuel prices. We have come through the summer relatively unscathed, although perhaps somewhat inconvenienced. Is this inconvenience enough of a justification to end a commitment that has lasted 25 years?

The United States, more than any other nation, is responsible for the existence of Israel. Our ties go far beyond the traditional requirements of national interest and mutual benefit. They are special ties, made unique by the role which the United States played in the creation of Israel. Can we, then, aban-

don such a relationship for the short-run benefit of unrestricted oil supplies? If we acquiesce to the Arabs and change our relationship to Israel, would not the leaders of the Arab States, particularly such radicals as Muammar Khadafi of Libya, take this as an indication that the United States will do anything necessary in order to maintain her supply of oil? And human nature being what it is, why should not they then make any and every demand on us? They would have every reason to believe that we would give in to their demands.

The question is, then, how are we to avoid falling victim to this oil blackmail? Hotheads will suggest that we send in the Marines to seize the oil fields and guarantee continuing production and exports. Such a suggestion can only be labeled ridiculous. A program of stringent conservation makes eminent good sense, and we have seen the effects of such a program in the patterns of fuel consumption over the summer. Demand for gasoline was lower than anticipated, because many thoughtful citizens changed some of their plans, or even revamped their lifestyles in order to save on gas consumption. In addition, the refineries have increased their production to the point where some are running at over 100 percent of their capacity. This fact alone would justify the beliefs of many people that the fuel crisis was simply manufactured by the major oil companies in order to get higher prices.

I cannot speak to the truth of this statement. I can simply say that there is now, and will continue to be, a squeeze on, as long as we do not do all that we can to develop all available fuel resources. The United States is doubly fortunate in not being as dependent on Middle Eastern oil as Western Europe and Japan, and in having a great untapped supply of petroleum fuel which has yet to be fully exploited. I am speaking in particular of the shale oil deposits in Colorado and Wyoming.

The Bureau of Mines has been working at extracting oil from these deposits for the last few years, and has had notable success in its efforts. According to a report issued in 1971, the Bureau's program at Rock Springs, Wyo., had succeeded in refining shale oil at what I would deem to be a competitive price. The cost of a barrel of oil produced under this process was \$2.34 in 1971. Even had this price risen in accordance with all fuel prices in the last 3 years, it would still be considerably less than what we are now paying for Libyan and Saudi Arabian oil.

While the cost of shale oil would certainly be more than the cost of imports from the Western Hemisphere and domestically produced supplies, it is a resource which we must exploit. It is estimated that, by 1980, we will be getting 50 percent of our oil imports from Saudi Arabia. We must ask ourselves right now, whether it is in America's best interests to be this dependent on a supply from such a politically volatile region. The answer must be a resounding "No." We have the means within our reach to limit the degree of our dependence, if not to avoid it completely.

I would hope that in the next few weeks the administration will make it clear to the governments of Libya and Saudi Arabia that their blackmail will profit them nothing. We can do this in two ways. First, by reasserting our strong support for Israel. Second, by showing the Arab States that we would rather do without their oil than be forced to buy it at the price of our national self-respect. I, for one, do not think that the Saudi Arabians will gladly lose so profitable a market. If we are firm, and demonstrate that we cannot be manipulated by the fear of manufactured oil shortages, these attempts at blackmail will fade ignominiously into the sand from whence they arose.

SAFE DRINKING WATER

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the use of ozone to treat water for municipal consumption is slowly beginning to gain acceptance in the United States. I have often urged this Nation's sanitary engineering community to give this alternative treatment method serious consideration because it is a more effective agent than chlorine in killing waterborne viruses.

Acceptance of ozone has been delayed up to now by inertia, engineering conservatism, cost considerations, and a simple lack of knowledge of its potential. I believe, however, that as the public learns of the growing doubts among researchers as to ability of chlorine to kill viruses, we will hear a loud outcry and a demand for more effective treatment methods.

Time magazine, September 3, printed a most informative article on ozone and its growing use in France, Russia, Canada, Japan, and other nations. It restates in layman's terms the conclusions which I have read in a number of scientific journals.

I hope that articles such as this will prod the sanitary engineering community in the United States and I would like to insert it in the RECORD at this point for the information of my colleagues and the general public.

NEW WATER

The Seine is a river of filth; yet Parisians willingly drink its waters. The Moskva traces an equally grimy course through Moscow, but Muscovites will soon be able to hold a glass under the kitchen faucet and savor Moskva water straight. The citizens of Singapore and Amsterdam too, will shortly be able to drink from their polluted rivers. Between the stream and the lip, in all these cases, is a remarkable process developed in France that changes effluent into elixir.

The key ingredient in the process is not chlorine, which purifies most of the U.S. water supply, but a gas called ozone—a form of oxygen with three (rather than the more common two) atoms in its molecular structure. Ozone is formed when ordinary gaseous oxygen is exposed to electrical discharges or ultraviolet radiation; it has a characteristic acrid odor noticeable after electrical storms and in the vicinity of ultraviolet lamps. In large concentrations, it is dangerous to breathe because it oxidizes, or burns, healthy tissue. Bubbled through water, it attacks and

oxidizes polio and other harmful viruses, and completely eliminates foul smells and bad-tasting pollutants. When its extra oxygen atoms are pulled away to combine with or oxidize impurities, the ozone becomes ordinary oxygen, leaving no residue.

CHEMICAL FRENZY

The French began experimenting with ozonization at the turn of the century, but they were long held back by the high cost of producing ozone. In 1968, however, when the Compagnie Générale des Eaux opened a highly automated \$27.5 million plant in the Paris suburb of Choisly-le-Roi, it proved that a sizable city could afford ozone treatment.

Choisly-le-Roi takes in up to 2,450 gallons of raw Seine water per second and puts it through a series of preliminary steps not unlike those in any U.S. water plant. First comes a "scrubbing" with ferric chloride and other chemicals; then the heavier particles of dirt are allowed to settle to the bottom of tanks while the lighter ones are removed by filtering. Elsewhere in the plant, in twelve huge stainless-steel containers, ozone is produced by bombarding dried, refrigerated and pressurized air with up-to-20,000-volt bolts of electricity. When the ozone is pumped into the water tanks, millions of tiny white bubbles explode into action, whipping the water to a froth. After twelve minutes of chemical frenzy, the water flows into the company's distribution system, thoroughly purified. It is called *eau nouvelle* (new water). Parisians love it.

So do 10 million other Frenchmen in 30 urban areas and 300 small communities, plus an increasing number of citizens in other countries. This year in Moscow, the Compagnie Générale des Eaux will install a \$5,000,000 ozone-producing machine—the world's largest. Recently the company signed agreements to build major new plants in Singapore, Brussels and Aleppo, Syria. Canada has 20 smaller facilities in operation; Japan has 21, Britain four. The U.S. has only now begun to operate pilot plants, including one in Chicago, to purify its dirty waters with ozone. One reason for America's reluctance to use the process is that ozonization is slightly more expensive than chlorination. Furthermore, U.S. officials argue that chlorine is safer because it persists throughout the distribution process, while ozone's effects stop when the water leaves the plant. But the French point out that the possibility of contamination in the distribution system is practically nil. Paul Louis Girardot, director of the Compagnie Générale des Eaux, has a better explanation for the U.S. ozonization lag. "There is a long chlorine tradition in the U.S. As everyone knows, chlorine leaves a strong taste that probably gives Americans a feeling of security. They know that the water they drink has been treated, that their sanitary services have done their job."

PETER DAVIES' "THE TRUTH ABOUT KENT STATE"

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, Attorney General Richardson announced on August 3 that he has directed the Justice Department to reconsider its earlier decisions not to convene a Federal grand jury to investigate possible criminal acts involving the tragic events that occurred at Kent State University in the spring of 1970. As an individual concerned that our system of justice be even handed, and as the representative of the district that includes Kent State, I commend the distinguished Attorney General for his courageous action.

Two difficult but important questions must still be answered about Kent State. First, what happened and why, and how can a recurrence be prevented? The answer depends on the facts—and the American Government's willingness to learn from its mistakes. Unfortunately, most of the recommendations of the "Scranton Commission on Campus Unrest" have been ignored or even scorned by the administration. Second, why did the Justice Department under Attorney General John Mitchell refuse to convene a grand jury? An 8,000-page report was written by the FBI, but has never been released to the public. A summary of that report, prepared by the Civil Rights Division of the Justice Department, appeared in the January 15, 1973, issue of the CONGRESSIONAL RECORD.

The propriety of—and the necessity for—convening a grand jury, based on the sufficiency of the evidence, is elaborated in a major new analysis by Peter Davies entitled "The Truth About Kent State." A review of Mr. Davies' book was published in the New York Times last Sunday. The review, by Mr. Thomas Powers, follows these remarks.

THE TRUTH ABOUT KENT STATE

(By Thomas Powers)

At 12:24 on the afternoon of Monday, May 4, 1970, a detachment of perhaps 30 National Guardsmen on the campus of Kent State University in Kent, Ohio, suddenly turned in a body and opened fire with M-1 rifles and .45-cal. automatic pistols on students who were hundreds of feet away. Thirteen students were shot. Four of them died.

Why did the Guardsmen fire?

It seems a simple enough question, hardly beyond the investigative resources of a Federal Government that has probed so minutely the activities of so many radicals, but Federal investigators have yet to come up with a complete answer, and Federal officials chose to ignore the partial answers, disturbing as they were. A Presidential Commission found, and then Attorney General John N. Mitchell conceded, that the shootings were "unnecessary, unwarranted and inexcusable," and yet Mitchell hesitated for more than a year following the shooting and then declined even to convene a Federal grand jury. Thus the first question is followed by a second: Why did the Government do nothing? Peter Davies's book on the Kent State shootings focuses with relentless clarity on the unanswered questions of the case, setting out what is known and what is not known, and eloquently attempting to convince us—hardest task of all—that we ought to care about what happened on that fatal day, and about the failure of justice which followed.

The shootings at Kent State are far from unique in recent American history and Mr. Davies knows he is less likely to meet outright hostility than cynicism and indifference. We are inclined to think we know all about Kent State, to grant Mr. Davies's case before we really know what it is, and to conclude wearily that nothing can be done about it, anyway. This would be to do both his book and his perseverance an injustice, because there is plenty to surprise and even shock us about the Kent State case once we begin paying close attention to the details, as Mr. Davies has done.

This was not a case of tragic confrontation, in which violent protest brought violence in return, as President Nixon suggested at the time, but of something much simpler. Thirteen students were shot at Kent State because popular feeling, officially encouraged, held that students were fair game. The Justice Department ignored the results of its own investigation because the President, the

Vice President and the Attorney General had all publicly attacked student activists as ideological hoodlums. When the facts at Kent State failed to fit official preconceptions, the facts were slighted or suppressed, and the case was ignored. It is only in the last month that a new Attorney General, Elliot L. Richardson, has agreed to reopen the case in an attempt to answer the old questions. The official explanation is that new evidence has come to light but in fact, as we shall see, most of it is mentioned in Mr. Davies's book and the true explanation seems to be the obvious one: the original investigation was not pushed by the Justice Department and its findings were ignored.

The genesis of "The Truth About Kent State" is unusual. A few days after the shooting Mr. Davies, by profession an insurance broker, sent a letter of protest to President Nixon and a copy of it to the parents of one of the dead, Allison Krause. Allison's father called to thank him for his gesture and as a result Mr. Davies took a close interest in the various legal suits and appeals for a full inquiry initiated by Arthur Krause and other parents of the dead and wounded. The Board of Church and Society of the United Methodist Church later joined in these efforts and helped Mr. Davies to write an extensive "Appeal for Justice" which was submitted to the Department of Justice. When the then Attorney General John N. Mitchell nevertheless refused to convene a Federal grand jury to investigate the shootings, Mr. Davies undertook this book in order to bring the case for a full inquiry—which there has so far been none—to a wider public.

Mr. Davies's only criticism of the report of the Presidential Commission headed by former Pennsylvania Governor William W. Scranton is that it did not go far enough. Pressed for time, the Commission failed to pursue much that was important. The National Guardsmen who actually fired their guns, for example, all managed to avoid testifying before the Commission and as a result their version of events has never been subject to detailed public scrutiny. Mr. Davies is frank in acknowledging his heavy debt to three earlier books for many of the facts behind his argument: "13 Seconds: Confrontation at Kent State," by Joe Esztenhas and Michael D. Roberts (Dodd, Mead, 1970); "Kent State: What Happened and Why," by James A. Michener (Random House and Reader's Digest Press, 1971), and "The Killings at Kent State: How Murder Went Unpunished" by I. F. Stone (A New York Review Book-Vantage Books, 1970). But his purpose, after all, is a limited one. He seeks only to remind us that justice cannot have been done where legal authorities have demonstrated so little interest in the simple truth.

For someone lacking subpoena power the truth about Kent State is not easy to get at, if by truth we mean to include an explanation of why the Guardsmen fired. The physical facts of the matter—who did what and when—are easier to establish because the shootings took place in broad daylight in full view of hundreds of witnesses and there is an extraordinary quantity of supplementary evidence, including a tape recording of the 13-second fusillade and dozens of photographs (many of which are in this book) from every vantage, of the events immediately preceding, during and following the actual shooting. All of this evidence, meticulously recounted by Mr. Davies, indicates there was no mob of menacing students as the National Guard later claimed, that the Guardsmen fired at students in a parking lot hundreds of feet away rather than at other students much closer to hand, and that they turned and fired in a body for no visibly apparent reason.

Mr. Davies suggests that a small group of Guardsmen may have agreed to fire on the students about five minutes before they actually did so. Photographs show that eight of ten Guardsmen suddenly bunched together

in what witnesses referred to as a kind of "huddle." Mr. Davies thinks this group, tired and angry, may have loosely decided to shoot if there were any more rock throwing. They may even have decided to turn and fire on a predetermined signal. The best that one can say for this theory—and it is all that Mr. Davies does say—is that it is plausible and, if true, that it would explain the facts.

There are other possible explanations. The first shot heard on the tape recording of the incident, for example, might not be an agreed-upon signal, or the act of a lone Guardsman firing either deliberately or in panic, but a shot fired by a mysterious "freelance photographer" named Terence F. Norman. The Justice Department has cited "new evidence" about Mr. Norman's role in the incident for reopening its inquiry, but most of the evidence apparently has been around for some time and is included in Mr. Davies's book. There is no question. Mr. Davies says, that Norman was at the scene, that he was carrying a gun and that he drew it either right before or right after the shooting. Some witnesses say he fired his own gun immediately before the Guardsmen wheeled around and began shooting. The photographer may have been a fulltime undercover agent for the University, which is known to have employed them, and the F.B.I. has recently admitted paying him \$125 a few weeks before the shootings for information about a right-wing political group. All of this must have been known by the F.B.I. at the time of its original inquiry. The questions about Mr. Norman's role which the Justice Department will attempt to answer now, are simply those which it neglected then.

Mr. Davies devoted the last third of his book to a close examination of official reaction to the shootings, such as there was. The report of an Ohio grand jury was a whitewash pure and simple. The Federal Government did both more and less. The Scranton Commission reported that the shootings had been "unnecessary, unwarranted and inexcusable," but Vice President Agnew dismissed their findings as "pabulum for permissiveness" and the President ignored their recommendations.

The F.B.I. assigned up to 300 agents to the case and eventually delivered an 8,000 page report to the Justice Department which indicated, among other things, that some Guardsmen had lied in denying they had fired, that the Guardsmen had been in no physical danger, and that Guardsmen may have conspired after the shootings to blame their action on a threatening mob which never existed. In spite of the F.B.I.'s tentative conclusions, Attorney General Mitchell refused to convene a grand jury to investigate further. It was only after continuing appeals by the parents of students killed or wounded, as well as many others, including Mr. Davies, that the new Attorney General Elliot Richardson recently agreed to reopen the inquiry. Whether this new effort, so long after the fact, will finally arrive at the truth about Kent State is anybody's guess.

In another sense, however, the responsibility for the tragedy of May 4, 1970, has already been established clearly and it is here that Mr. Davies's book achieves its greatest force. One does not have to condone rock-throwing or the burning of the Kent State R.O.T.C. building on the Saturday before the shooting in order to center one's concern on the callous and irresponsible behavior of public officials who felt, and who did not hesitate in the heat of the moment to say,

that students were fair game. Riding a wave of anti-student ill-feeling for which both the President and the Vice President are at least partly to blame, these officials, from the mayor of Kent to the governor of Ohio, made no attempt to calm the situation at Kent State but instead responded eagerly with steadily escalating force completely out of proportion to the provocation.

More specifically, there can be no excuse for the decision to issue Guardsmen with live ammunition. There can be no excuse for Major General Sylvester Del Corso's action two days before the shooting in scooping up rocks in full view of his troops and throwing them back at students. There can be no excuse for the bayonetting of three students over the weekend before the shooting, or for the failure of National Guard officers to bring their men under control. There can be no excuse for the inflammatory press conference given by Ohio Governor James Rhodes on Sunday, May 3, just two days before a Republican senatorial primary in which he was trailing badly, where Rhodes said "We're going to use every weapon of law-enforcement agencies of Ohio to drive them [student radicals] out of Kent . . . They're worse than the brownshirts and the Communist element and also the night riders and the vigilantes. They're the worst type of people that we harbor in America . . ."

There can be no excuse for General Robert H. Canterbury's decision to forcibly disperse an entirely peaceful and legal rally at noon on Monday, just 30 minutes before the shooting, remarking as he did so, "These students are going to have to find out what law and order is all about." And there can be no excuse for the incredible lack of fire discipline displayed when 20 or more Guardsmen, without any sort of order whatever, suddenly opened fire on students hundreds of feet away while General Canterbury, all but standing in their very midst, happened to be looking the other way.

Why reopen the case, where there are so many other issues competing for our flagging attention? "Not because such an inquiry would restore life to the dead," Mr. Davies argues, "but because we live by laws that no Guardsman is above and no student below."

There can be little question of the Justice Department's response if the rock throwers had killed four Guardsmen, rather than the other way around. All the important questions about the shootings at Kent State remain unanswered, for no better reason than that it has suited the authorities to leave them so. The case should be fully reopened and the truth established for the oldest and simplest of reasons: because justice has not been served, because too many Americans have cynically concluded it never is and never will be, and because no one, in a society of laws rather than men, is fair game.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HEDNUT (at the request of Mr. ARENDS) for September 10, 1973, on account of business in district.

Mr. McEWEN (at the request of Mr. GERALD R. FORD) for September 5 and 6 on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HEDNUT) to revise and extend their remarks and include extraneous material:)

Mr. ANDREWS of North Dakota, for 5 minutes, today.

Mr. HOGAN, for 5 minutes, today.

Mr. HEDNUT, for 10 minutes, today.

Mr. SHOUP, for 1 hour, September 13, 1973.

Mr. FRENZEL, for 10 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

Mr. CRANE, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. YOUNG of Georgia), to revise and extend their remarks, and to include extraneous matter:)

Mr. RODINO, for 5 minutes, today.

Mr. HAMILTON, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. McFALL, for 15 minutes, today.

Mr. EILBERG, for 5 minutes, today.

Mr. FULTON, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

Mr. BARRETT, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MAHON and to include extraneous matter.

Mr. DOWNING to extend his remarks immediately following the amendment offered by Mr. STAGGERS to H.R. 8351 in the Committee of the Whole today.

Mr. WILLIAMS to extend his remarks immediately after Mr. HEINZ on the Heinz amendment.

Mr. BURLISON of Missouri, and to include extraneous material in his remarks on H.R. 8547 today in the Committee of the Whole.

(The following Members (at the request of Mr. HEDNUT) and to include extraneous material:)

Mr. GUBER.

Mr. RONCALLO of New York.

Mr. McCLOSKEY.

Mr. WINN.

Mr. BROWN of Ohio in two instances.

Mr. KING in three instances.

Mr. MINSHALL of Ohio.

Mr. DON H. CLAUSEN in two instances.

Mr. ASHBROOK in four instances.

Mr. SPENCE.

Mr. BRAY in two instances.

Mr. HUBER in two instances.

Mr. VEYSEY in two instances.

Mr. HOGAN.

Mr. McCLORY.

Mr. RHODES in five instances.

Mr. ABDNOR.
Mr. HUNT.
Mr. ERLENBORN.
Mr. WYMAN in two instances.
Mr. BUTLER.
Mr. DERWINSKI in two instances.

(The following Members (at the request of Mr. YOUNG of Georgia), and to include extraneous matter:)

Mr. JOHNSON of California.
Mr. STOKES in two instances.
Mr. O'HARA.
Mr. MINISH.
Mr. BINGHAM in 10 instances.
Mr. GIAIMO in 10 instances.
Mr. MAZZOLI.
Mr. BADILLO in two instances.
Mr. MOLLOHAN.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. FRASER in two instances.
Mr. FULTON.
Mr. LEGGETT.
Mr. HARRINGTON in two instances.
Mr. KOCH in eight instances.
Mr. DORN in three instances.
Mr. DIGGS in two instances.

ADJOURNMENT

Mr. SEIBERLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock 51 minutes p.m.), under its previous order, the House adjourned until Monday, September 10, 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:

1321. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to establish a District of Columbia Development Bank to mobilize the capital and the expertise of the private community to provide for an organized approach to the problems of economic development in the District of Columbia; to the Committee on the District of Columbia.

1322. A letter from the Vice President for Public and Government Affairs, National Railroad Passenger Corporation, transmitting a report for the month of July 1973, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1323. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

1324. A letter from the Executive Director, Commission on the Bankruptcy Laws of the United States, transmitting part 2 of the report of the Commission (H. Doc. No. 93-137 pt. 2); to the Committee on the Judiciary and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 10077. A bill to authorize the Secretary of the Interior to engage in a feasibility study of the Apple Creek unit; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI (for himself, Mr. BERGLAND, Mr. BRASCO, Mr. CONYERS, Mr. GAYDOS, Mr. GUDÉ, Mr. LEHMAN, Mr. MCCRACKEN, Mr. PEPPER, Mr. PODELL, Mr. RIEGLE, Mr. SARBANES, Mrs. SCHROEDER, Mr. STARK, Mr. WALDIE, and Mr. CHARLES H. WILSON of California):

H.R. 10078. A bill to pay grants to students enrolled in psychology, sociology, or social work in institutions of higher education to encourage their part-time employment and clinical training in certain hospitals for mental rehabilitation; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. BINGHAM, Ms. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. GILMAN, Ms. GRASSO, Mr. HAWKINS, Mr. HOWARD, Mr. MADIGAN, Mr. MITCHELL of New York, Mr. MURPHY of New York, Mr. SARBANES, Mr. STOKES, Mr. CHARLES H. WILSON of California, and Mr. WINN):

H.R. 10079. A bill to amend the Elementary and Secondary Education Act of 1965 to provide a program of grants to States for the development of child abuse and neglect prevention programs in the areas of treatment, training, case reporting, public education, and information gathering, and referral; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. BERGLAND, Mr. BRASCO, Mr. CONYERS, Mr. GAYDOS, Mr. GUDÉ, Mr. LEHMAN, Mr. MCCRACKEN, Mr. PEPPER, Mr. PODELL, Mr. RIEGLE, Mr. SARBANES, Mrs. SCHROEDER, Mr. STARK, Mr. WALDIE, and Mr. CHARLES H. WILSON of California):

H.R. 10080. A bill to amend the student loan provisions of the National Defense Education Act of 1958 to provide for cancellation of student loans for service in mental hospitals and schools for the handicapped; to the Committee on Education and Labor.

By Mr. BIESTER:

H.R. 10081. A bill to strengthen and improve the protections and interests of participants and beneficiaries of employee pension and welfare benefit plans; to the Committee on Education and Labor.

By Mr. BOWEN:

H.R. 10082. A bill to amend the Merchant Marine Act of 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. BRADEMAS (for himself and Mr. YOUNG of Georgia):

H.R. 10083. A bill to provide financial assistance to the States for improved educational services for handicapped children; to the Committee on Education and Labor.

By Mr. BROOMFIELD:

H.R. 10084. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself and Mr. HORTON):

H.R. 10085. A bill to suspend for a 3-year period the duty on mustard seeds; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 10086. A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 10087. A bill to amend the Economic Stabilization Act of 1970, as amended; to the Committee on Banking and Currency.

By Mr. HALEY (for himself, Mr. SAYLOR, Mr. TAYLOR of North Carolina, Mr. HOSMER, Mr. JOHNSON of California, Mr. DON H. CLAUSEN, Mr. UDALL, Mr. CAMP, Mr. BURTON, Mr. MEEDS, Mr. MELCHER, Mr. SIKES, Mr. BURKE of Florida, Mr. FREY, Mr. BENNETT, Mr. FUQUA, Mr. ROGERS, Mr. PEPPER, Mr. FASCELL, Mr. CHAPPELL, Mr. GIBBONS, Mr. YOUNG of Florida, Mr. BAFALIS, Mr. LEHMAN, and Mr. GUNTER):

H.R. 10088. A bill to establish the Big Cypress National Preserve in the State of Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALEY (for himself, Mr. FOLEY, Mr. KASTENMEIER, Mr. O'HARA, Mr. KAZEN, Mr. DELLENBACK, Mr. VIGORITO, Mr. BINGHAM, Mr. SEIBERLING, Mr. CRONIN, Mr. WON PAT, Mr. OWENS, and Mr. DE LUGO):

H.R. 10089. A bill to establish the Big Cypress National Preserve in the State of Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARRINGTON (for himself and Mr. WON PAT):

H.R. 10090. A bill to provide economic adjustment assistance to communities in which military facility closings have caused economic injury to the community, and for other purposes; to the Committee on Banking and Currency.

By Mr. HARVEY:

H.R. 10091. A bill to amend the International Travel Act of 1961 to provide for Federal regulation of the travel agency industry; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 10092. A bill to require that impact-resistant eyeglasses be issued under the medical program for members of the uniformed services on active duty; to the Committee on Armed Services.

By Mr. HOSMER:

H.R. 10093. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER (for himself, Mr. WAGGONER, and Mr. KING):

H.R. 10094. A bill to amend the Federal

Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

H.R. 10095. A bill to authorize the acquisition of certain lands for addition to Rocky Mountain National Park in the State of Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LATTA (for himself and Mr. GUYER):

H.R. 10096. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to provide that no local educational agency's allocation may be reduced for the fiscal year 1974 below its allocation for fiscal year 1973; to the Committee on Education and Labor.

By Mr. LEGGETT:

H.R. 10097. A bill to amend title 10, United States Code, to authorize special educational services for the dependents of active duty members of the uniformed services; to the Committee on Armed Services.

By Mr. LUJAN:

H.R. 10098. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means

By Mr. MALLARY:

H.R. 10099. A bill to divorce the businesses of production, refining, and transporting of petroleum products from that of marketing petroleum products; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 10100. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

H.R. 10101. A bill to create a public works program for the purpose of reducing unemployment; to the Committee on Public Works.

By Mr. ROGERS:

H.R. 10102. A bill to amend title II of the Social Security Act to provide for the payment at age 62 (rather than only at age 65) of widow's or widower's insurance benefits equal to 100 percent of the deceased worker's primary insurance amount; to the Committee on Ways and Means.

By Mr. SCHNEEBELI:

H.R. 10103. A bill to amend the Tariff Act of 1930 to grant additional arrest authority to officers of the Customs Service; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself and Mr. RINALDO):

H.R. 10104. A bill to provide for the establishment within the Department of Health, Education, and Welfare of a National Center on Child Development and Abuse Prevention, to provide financial assistance for a demonstration program, and for other purposes; to the Committee on Education and Labor.

By Mr. SEIBERLING:

H.R. 10105. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the

Committee on Interstate and Foreign Commerce.

By Mr. SNYDER:

H.R. 10106. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.R. 10107. A bill to amend the Rural Development Act of 1972 to provide for the use of a State certified census in addition to the decennial census of the United States for purposes of defining the terms "rural" and "rural area"; to the Committee on Agriculture.

H.R. 10108. A bill to facilitate convenient Selective Service registration by having secondary schools make available registration forms to students; to the Committee on Armed Services.

By Ms. ABZUG (for herself and Ms. JORDAN):

H.R. 10109. 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. DIGGS (for himself, Mr. MADDEN, Mr. RODINO, Mr. FLOOD, Mr. BURTON, Mr. LEGGETT, Mr. MATSUNAGA, and Mr. DE LUGO):

H.R. 10110. A bill to reorganize the governmental structure of the District of Columbia, to provide a charter for local government in the District of Columbia subject to acceptance by a majority of the registered qualified electors in the District of Columbia, to delegate certain legislative powers to the local government, to implement certain recommendations of the Commission on the Organization of the government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. GONZALEZ:

H.R. 10111. A bill to provide that the special cost-of-living increase in social security benefits authorized by Public Law 93-66 shall take effect immediately; to the Committee on Ways and Means.

By Mrs. HECKLER of Massachusetts:

H.R. 10112. A bill to establish a direct loan program to assist in meeting the needs of the elderly for adequate housing, and to encourage and facilitate in other ways the effective provision of more and better housing designed to meet these needs; to the Committee on Rules.

By Mr. HEINZ:

H.R. 10113. A bill to strengthen and improve the protections and interests of participants and beneficiaries of employee pension and welfare benefit plans; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 10114. A bill to reorganize the governmental structure of the District of Columbia, to provide a charter for local government in the District of Columbia subject to acceptance by a majority of the registered qualified electors in the District of Columbia, to delegate certain legislative powers to the local

government, to implement certain recommendations of the Commission on the Organization of the Government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. OWENS:

H.R. 10115. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 10116. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Education and Labor.

H.R. 10117. A bill to amend title 38, United States Code, to provide that remarriage of the widow of a veteran after age 50 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. ROGERS:

H.R. 10118. A bill to amend the Clean Air Act to require the Administrator of the Environmental Protection Agency to prescribe regulations to promote greater fuel economy in motor vehicles subject to Federal emission standards; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 10119. A bill to amend the Federal Reserve Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. WHITEHURST (for himself and Mr. CHARLES WILSON of Texas):

H.R. 10120. A bill to amend the Federal law relating to the care and treatment of animals to broaden the categories of persons regulated under such law, to assure that birds in pet stores and zoos are protected, and to increase protection for animals in transit; to the Committee on Agriculture.

By Mr. WHITEHURST (for himself and Mr. HANSEN of Idaho):

H.R. 10121. A bill to amend the Horse Protection Act of 1970, to provide for criminal sanctions for any person who interferes with any person while engaged in the performance of his official duties under this act, and to change the authorization of appropriations; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself and Mr. MITCHELL of Maryland):

H.R. 535. Resolution to express the sense of the House regarding diplomatic relations between the United States and Sweden; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HELSTOSKI:

H.R. 10122. A bill for the relief of Luis R. and Maria C. Echavarria; to the Committee on the Judiciary.

By Mr. KYROS:

H.R. 10123. A bill to permit certain vessels to be documented for use in the fisheries and coastwise trade; to the Committee on Merchant Marine and Fisheries.