PHILLIP NILES—A QUADRIPLEGIC HERO

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 18, 1973

Mr. LEGGETT. Mr. Speaker, during the last decade, starting with Vietnam and continuing through the Watergate disaster, disillusionment and cynicism have become widespread in our country. One of the effects of these emotions is the frequent claim that America no longer breeds heroes. Today I would like to draw the attention of the House to one of my constituents, Phillip Niles, of Vallejo, Calif., whose extraordinary physical and moral courage disproves this claim.

Phillip Niles was recently named the California Department of Rehabilitation's Pleasant Hill rehabilitant of the year. In 1961, at the age of 15, Mr. Niles broke his neck and back in an automobile accident. The result of this catastrophic injury is that he was doomed to live life as a quadriplegic-paralyzed in all four limbs.

Quadriplegia is one of the most disabling of all medical conditions. The psychological blow is sometimes even more severe than the tangible physical effects. In order to achieve any rehabilitation, the quadriplegic must maintain morale while almost totally helpless.

For almost 3 years after his accident, Phillip was given intensive medical treatment. In May of 1964 he applied for help at the Department of Rehabilitation. Here, for the past 9 years, he has received extensive services aimed at his rehabilitation, including counselling, academic training, transportation, school supplies, and a van modified for driving.

With the help of his counsellor, Bridget Glidden, Phillip has come a long way toward achieving his goals of independence and employment. Now 27 years old, he has an A.A. degree from Diablo Valley College, drives a motor vehicle, and is employed at Robin-aides, Inc. a medical prosthetics group in Vallejo, Calif. as director of sales promotion.

Phillip Niles' 12-year struggle to overcome the handicaps imposed by quadriplegia has required an almost superhuman amount of courage, perseverance, and dedication. Without these qualities, all the help and services in the world would have done him little good. It is these qualities which characterize a hero. A person who stands above his peers. It is the demonstration of these qualities by Phillip Niles which proves that heroism is not dead in America.

I would like to congratulate Phillip Niles on his being named the California Department of Rehabilitation's Pleasant Hill District rehabilitant of the year, and express my unbounded admiration and respect for the qualities he has displayed in deserving this honor.

A description of the Pleasant Hill Rehabilitation District follows:

THE STATE OF CALIFORNIA, DEPARTMENT OF REHABILITATION, PLEASANT HILL DISTRICT

The Department helps disabled persons who have difficulty gaining or keeping employment. Such persons might include a carpenter who injured his back and can no longer work in his trade; a former teacher who, because of an automobile accident and brain damage cannot talk clearly; a high school student who is in special classes and because of birth defects has not learned to read or write, or a person who might have lost employment due to alcoholism, drug addiction, or emotional problems.

Last year the Department worked with persons who had every imaginable type of disability, helping over 15,000 of them return to employment. It helped them by evaluation of their problems and developing with them plans for overcoming their disabilities and for gaining employment. Such plans might include: counseling, training, transportation, the purchase of tools and work clothing, licenses, auto repairs, and other similar services, when these services are not elsewhere available or cannot be afforded by the client.

The activities of the Department are paid for by a return of money to the State through the taxation of income gained by the persons rehabilitated. In addition, millions of dollars are saved in reduced welfare benefits. The average cost of supporting a disabled person on Public Assistance for the rest of his life is over $100,000. The average cost of rehabilitation is under $3,500 per person.

The chief product of the Department is not, however, a saving in money . . . its primary accomplishment is the restoration of disabled individuals to live a full and productive life.

The local Pleasant Hill District of the Department of Rehabilitation provides service to over 3,000 residents of Contra Costa, Napa and Solano Counties. Offices are located in Napa, Vallejo, Richmond, San Pablo, Pittsburg and Pleasant Hill.

HOUSE OF REPRESENTATIVES—*Wednesday, September 19, 1973*

The House met at 12 o'clock noon.

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

Wait on the Lord; be of good courage and He shall strengthen your heart.—Psalms 27: 14.

Once again, our Father, we take Thy holy name upon our lips; once again we thank Thee for Thy goodness which has attended us all our days; once again we come to Thee for the uplifting experience of Thy presence.

Our prayer is not only that we may do our work, but that we may do it well; not only that we do what is right, but that we like to do what is right; not only that we be genuinely good, but that we enjoy being genuinely good.

Help us to take this bit of Thy creation we call the United States of America and mold it into a greater country, making life on this land a better and brighter experience for all our people. To this end may Thy strength support us, Thy wisdom make us wise, and Thy love keep us good. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 776. An act to authorize the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 607) entitled "An act to amend the Lead Based Paint Poisoning Prevention Act, and for other purposes," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. PELL, Mr. MONDALE, Mr. SCHWEIKER, Mr. JAVITS, Mr. DOMINICK, Mr. BEALL, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that Senator BROOKE was appointed as a conferee in the place of Senator TOWER on S. 1141, to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars.

MAKING IN ORDER CONSIDERATION OF CONTINUING RESOLUTION

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Monday of next week, or any day thereafter, to consider a joint resolution making further continuing appropriations for the fiscal year 1974 beyond September 30, which is the expiration date of the present continuing resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask the gentleman, would the continuing resolution be open to amendment, and under what parliamentary procedure would debate be had on the resolution?

Mr. MAHON. I will say to my friend, the gentleman from Iowa, it will be proposed to consider the measure under the 5-minute rule. There will be opportunity to amend the continuing resolution.

The principle of the continuing resolution, of course, is to enable the Government to continue to operate in areas where appropriations have not been enacted into law. So we would propose only to change the date of the present continuing resolution. There is nothing pro-

posed which is dramatic or different from the usual procedure.

Mr. GROSS. The resolution would be subject to amendment?

Mr. MAHON. The gentleman is entirely correct.

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

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

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT SEPTEMBER 20, 1973, TO FILE A REPORT ON A JOINT RESOLUTION MAKING CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file a report on a joint resolution making further continuing appropriations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CEDERBERG reserved all points of order on the joint resolution.

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

There was no objection.

PERMISSION FOR SELECT COMMITTEE ON SMALL BUSINESS TO SIT DURING MEETINGS OF HOUSE TODAY AND TOMORROW

Mr. HUNGATE. Mr. Speaker, at the request of the House Select Committee on Small Business I ask unanimous consent that the committee may sit during meetings of the House today and tomorrow, September 19 and 20.

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

There was no objection.

LOWER RIO GRANDE AND COLORADO RIVERS

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

Mr. DE LA GARZA. Mr. Speaker, as Representative from the 15th District of Texas, which lies on the international boundary between the United States and Mexico, I am encouraged by the news that the Department of the Interior is ready to implement the agreement entered into on August 30 by the two countries to provide lasting benefits for water users on both sides of the boundary.

To be sure, this agreement does not directly affect my district. It has to do with improving the quality of the water which the United States delivers to Mexico in the Colorado River. The significance of the agreement, so far as I am concerned, is that it resolves a problem which has plagued United States-Mexican relations for years and demonstrates the willingness of the United States to work with Mexico in removing inequities in relations between the two countries. And it shows that through mutual effort and with good will on both sides, deeply conflicting interests between nations of this hemisphere can be reconciled constructively and amicably.

These are factors of great importance to the people of my district. We have our own problems with the Lower Rio Grande which adversely affect the agricultural producers of south Texas. I am hopeful that the agreement reached with respect to the Colorado River is an indication that the appropriate agencies will move on to deal with our problem in south Texas and that the same atmosphere of cooperation and good will can prevail.

FEDERAL HOUSING POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–152)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

Six months ago, in my State of the Union Message on Community Development, I announced a sweeping study of Federal housing policy. I said then that its results would be used in formulating new Administration recommendations in this extremely important field.

That study has been completed—and my recommendations are ready. In keeping with the breadth of the issues involved in housing, both the study and my proposals cover a wide spectrum.

—Some of the actions discussed in this message are designed to ease the tight credit conditions in the current housing market.

—Others are intended to improve prospects for potential homebuyers to obtain mortgages over the longer term.

—Some of these proposals reflect my conviction that the housing needs of lower income families require a different approach than we have taken in the past.

—Still other actions are designed to meet other special needs and to update and improve current Federal programs which have been working.

The measures I suggest today can bring us closer to a long-established goal. As I indicated in my message last March, this Administration will not waver in its commitment to the objective of the Housing Act of 1949: "a decent home and a suitable living environment for every American family." While our Nation has made tremendous strides toward that objective in the quarter-century since it was first enunciated, those very strides have carried us into new terrain, presenting new problems and new opportunities. The nature of the challenge has been changing—and our response must change accordingly.

A PROUD RECORD

The housing record of recent decades should be a source of pride for all Americans. For example, the proportion of our people who live in substandard housing dropped from 43 percent in 1940 to only 7 percent in 1970. During the same period, the proportion of Americans living in houses with more than one person per room dropped from 20 percent to 8 percent and the proportion of our housing which is considered "dilapidated" fell from over 18 percent to less than 5 percent.

To be sure, these indicators are imprecise—and we need to improve the ways we collect housing data. But all of these measures, however crude, point to an inescapable conclusion: very substantial progress has been made in the housing field and the benefits have been shared by Americans of all races and economic groups in all regions of the country.

In recent years, housing production in America has reached unprecedented levels. The average number of housing starts in the last twelve months was more than double the average for the previous two decades and we expect the next twelve months to be another excellent year for housing.

The ability of our economy to provide vastly expanded housing has been one of the strongest indications of its fundamental vitality. Our people have been able to match their growing desire for housing with growing purchasing power. Our housing industry has been able to expand its production and update its product. And our credit institutions have been able to finance this massive wave of construction in a way which has enabled a broad cross-section of Americans to participate in its benefits.

The state of America's housing will continue to depend on the state of America's economy more than on any other factor. Specific policies aimed at housing can help. But—as our housing study concludes—the forces which will do the most to shape the future of housing in America will be the forces of the marketplace: families with sufficient real income and sufficient confidence to create an effective demand for better housing on the one hand, and builders and credit institutions able to respond to that demand on the other.

But even as good housing has become a reality for most Americans, it is clear that certain important problems still exist. Two are especially significant. First, we are facing certain problems in providing adequate housing credit—and we must move promptly to resolve them. Second, too many low-income families have been left behind: they still live in substandard, overcrowded and dilapidated housing—and we must help them meet their needs. This message and the legislation I will seek from the Congress focus primarily on these two challenges.

I. MAKING HOMEOWNERSHIP EASIER

Credit is the life-blood of housing. Without an adequate supply of credit repayable over an extended period of time at reasonable interest rates, very few families could afford to purchase their own homes. Nor could landlords either develop an adequate supply of rental housing or make it available at reasonable rental charges.

One of the most important actions the Federal Government has taken in the housing field was its decision in the

1930's to restructure our housing credit system. The introduction then of Federal insurance for low downpayment, long-term mortgages—first by the Federal Housing Administration (the FHA), and later by the Farmers Home Administration (the FmHA) and the Veterans Administration (the VA)—encouraged lenders to provide home mortgages on attractive terms to millions of American families.

At the same time, the Federal decision to insure savings deposits meant that billions of additional dollars began to flow into our banks and into thrift institutions, such as savings and loan associations. Other Federal policies led these institutions to invest most of this money in housing loans, creating vast new pools of housing credit.

Although these systems have served us well for a long time, the need for improvement has become increasingly evident in recent years. More and more, we find ourselves facing either feast or famine with respect to housing credit.

When interest rates are relatively stable, we find that we have an abundance of mortgage credit available on reasonable terms, as was true in 1971, 1972 and earlier this year. Whenever interest rates move up rapidly, however, mortgage credit becomes extremely scarce. This occurred in 1966 and 1969 and it has been happening again in recent months. As a result, it has become more difficult for an American family to buy or sell a home. Even where credit is available, the combination of higher interest rates and higher downpayment requirements is pricing too many of our families out of the housing market.

Why does this feast or famine situation exist?

As I pointed out in my message of August 3d on the reform of financial institutions, one principal reason is the fact that our thrift institutions are unable to compete effectively for depositors' funds when interest rates rise quickly. The problem is a structural one: savings and loan associations are now required to invest most of their deposits in residential mortgages, which carry fixed interest rates over long periods of time. When other interest rates rise rapidly, the interest rates on their mortgage portfolios cannot keep pace—and as a consequence neither can the rates they pay to their depositors. The result is that depositors often draw their savings out of the thrift institutions—or at least cut down their rate of saving leaving the thrift institutions with much less money to invest in housing. I believe this special problem can be met through the recommendations I described in my message of August 3d.

But structural difficulties are only part of the problem. A number of additional factors also help explain why mortgage money is becoming so expensive.

One major cause is the housing boom itself, which has led to unprecedented demands for credit—and rising costs for money. In addition, inflationary fears have influenced lenders to raise their interest rates as a matter of self-protection. Finally, the Federal Reserve Board has been working to restrict the money supply in order to fight inflation. Such restrictions are important, for without them we might win the immediate battle in housing but lose the long-range war in the rest of the economy, including the housing field.

But even as we pursue a responsible monetary policy, we must avoid choking off the consumer credit which families require to meet their needs. That would also be dangerous to the economy. I am particularly concerned that the burdens of fighting inflation not fall unfairly on those who want to buy a home—or sell one.

We have a delicate and difficult balance to maintain. We cannot relent in the fight against inflation, which is our No. 1 domestic problem. Nor can we expect to insulate housing from the effects of that effort. In fact, all of our measures to control inflation—including our efforts to hold down Federal spending—are essential in keeping down both the price of housing and the price of money in the long run. This requirement necessarily limits what can be prudently done to stimulate housing credit in the short run.

Nevertheless, there are some actions that can be taken on the credit front—and I intend to take them. In fact, we have already launched a number of efforts. The Committee on Interest and Dividends has instituted voluntary guidelines designed to encourage banks to keep up their levels of mortgage lending. The Federal Reserve Board has engaged in similar efforts. The Federal National Mortgage Association has stepped up its mortgage commitment and purchasing operations to free up funds for further lending. The Federal Home Loan Bank Board has lowered the reserve requirements for lending operations of its member institutions and has stepped up its advancement of funds to them.

I am today announcing a number of additional administrative actions and legislative proposals designed to do two things: first, to help alleviate the immediate housing credit problem; and second, to improve for the longer term the supply of housing credit and the ability of our people to use it.

EASING CURRENT CREDIT CONDITIONS

1. *Increasing the incentive for savings and loan associations to finance housing construction.*

As money has become tighter, savings and loan institutions have become increasingly reluctant to commit housing construction loans for delivery at future dates. The reason is their uncertainty as to whether they will have enough funds to lend then at the interest rates which exist now.

Accordingly, the Federal Home Loan Bank Board will authorize a new program of "forward commitments" to savings and loan associations, promising to loan money to them at a future date should they need it to cover the commitments they now are making. This authority will cover up to $2.5 billion in loan commitments.

2. *Providing interest rate assistance to Federally insured borrowers.*

The Department of Housing and Urban Development will also join in the effort to ease the current mortgage credit problem by reinstituting the so-called "Tandem Plan" under the auspices of its Government National Mortgage Association. Under this plan, the GNMA will provide money for FHA-insured mortgages at interest rates somewhat below the market level. To encourage new construction, only mortgages on new housing starts will be eligible for this assistance. Up to $3 billion in mortgages for new housing will be financed under this arrangement, making loans available at attractive rates to tens of thousands of American homebuyers.

3. *Increasing the size of mortgages eligible for Federal insurance.*

The Federal Government presently encourages lenders to put money into housing by insuring mortgages involving low downpayments and long repayment periods. The Government guarantees, in effect, that lenders will be protected in the event of a default on the loan. Such mortgage insurance, whether it is provided by the Federal Government or by private institutions, is particularly important in making mortgages available to younger families and others who do not have enough savings to make a large downpayment or enough income to make the higher monthly payments that come with shorter mortgage terms.

The Congress periodically sets limits on the size of a mortgage loan which the FHA can insure and adjusts the downpayment requirement. The last time this was done was in 1968. Although realistic then, the current ceiling and downpayment terms are unrealistic in today's housing market. As a result, FHA insurance for multifamily units has been completely cut off and FHA-insured financing is impossible for any home purchase in a large and growing number of areas across the country.

To remedy this problem, I ask the Congress to authorize the FHA to insure larger housing loans on a low downpayment basis both for single and for multifamily dwellings.

Such a change would revive Federal insurance activity in areas where it has been curtailed. In addition, it would permit at least a partial resumption of housing loan activity in certain States where anachronistic usury laws impose interest ceilings lower than current market rates and thefefore shut off mortgage lending. Many of these States exempt Federally-insured loans from such interest ceilings—which means that Federal insurance is a prerequisite for obtaining a housing loan in these jurisdictions. This makes it all the more important that the Congress act promptly on my proposal to expand the reach of our Federal mortgage insurance programs.

MAKING LONG-TERM IMPROVEMENTS IN THE CREDIT SYSTEM

1. *Permitting homebuyers to pay market-level interest rates and still be eligible for Federal insurance.*

In an effort to hold down the cost of borrowing, the Congress has limited the interest rates which a home mortgage can carry and still be eligible for FHA and VA insurance. Unfortunately, setting

the interest rate below market rates does not accomplish this intended purpose.

The reason is that lenders will simply not make their money available for housing at a lower rate than they can get from a comparable investment elsewhere. If the Government's interest limit for a mortgage is set below the general market level interest rate, the lender who still puts money into housing will supplement this artificially low interest rate by requiring a special additional payment. This payment—which is really prepaid interest—is made in a lump sum at the time the loan is made and is commonly called "points."

Although points are usually charged to the seller of a house, they are generally added to the selling price and thus are paid by the buyer just the same.

This practice can have a number of unfortunate side-effects. By raising the overall price of the home, points can also raise the size of the downpayment. Moreover, when the price of a house goes up, so does the cost of insuring that house, of paying property taxes on it and of making monthly mortgage payments. An added inequity arises when a home is resold before the mortgage term has run its course—which is the usual case. Since the points were paid to compensate the lender for what he would lose on interest over the full term of the mortgage, the lender can reap an unfair profit when the mortgage is paid off early.

In short, the ceiling on interest rates does just the reverse of what it was intended to do. To end this practice, I again urge the Congress to allow the FHA and the VA to insure mortgages carrying market rates of interest. This proposal would end the need for charging points; indeed, it would prohibit charging such prepaid interest points on these insured mortgages. Hopefully, those States which also have ceilings on mortgage interest rates will take similar action to eliminate their ceilings.

2. *Authorizing more flexible repayment plans under Federally insured mortgages.*

Many innovative changes in housing finance have been introduced by the Federal Government. It is important that we continue to pursue such innovation—and one area that is particularly ripe for new experiments involves the schedule for repaying mortgages.

To further such innovation, I will seek legislation permitting the Secretary of Housing and Urban Development to allow greater flexibility in repayment arrangements for Federally insured loans on an experimental basis.

One possibility which would be tested under this authority is that of gearing the level of repayments to expected changes in family income. Rather than making the same flat payment over the life of the loan, families would make smaller payments in the earlier years—when they are hardest pressed—and larger payments later on—when their incomes are higher. This provision could help younger families purchase homes earlier in life than they can today and it could help them make an earlier purchase of the home in which they will eventually live, rather than making frequent moves from one home to another as their incomes rise.

3. *Establishing a mortgage interest tax credit.*

As another means of ensuring a steady supply of housing credit, I will propose legislation which would allow investors a tax credit on the interest they earn when they put their money into residential mortgages. This proposal would make investment in housing loans more attractive in two ways: first, it would make them more attractive to those institutions which traditionally have provided mortgage money; and second, it would give organizations which pool mortgages a better chance to compete for funds in the so-called "secondary market"—from pension funds, insurance companies, various State institutions and the like.

Under my proposal, a tax credit of up to 3½ percent would be provided on interest earnings to financial institutions which invest a certain percentage of their investment portfolio in residential mortgages. The greater the proportion of the portfolio invested in mortgages, the higher the tax credit on interest earned by all the mortgages in the portfolio. When at least 70 percent of a portfolio was invested in mortgages, the tax credit on the interest those mortgages earn would be 3½ percent—the equivalent, at current interest levels, of an additional interest yield of more than one-half of one percent.

4. *Furthering the development of private mortgage insurance companies.*

Another significant proposal in the credit area concerns private mortgage insurance companies. These companies perform a function similar to that of the FHA, the VA, and the FmHA—they insure residential mortgages with lower downpayments and for longer terms than would ordinarily be available. However, the premiums they charge for such insurance are much lower than those of the Federal agencies. Such private mortgage insurance companies have become a significant factor in the housing market in recent years and we should encourage their continued development.

To help further this objective, I recommend that the Congress—along with the Administration—consider ways of allowing private mortgage insurance companies to purchase inexpensive Federal reinsurance. To this end, I will submit legislation which can provide a basis for this discussion. Such insurance would provide added protection to the owner of a mortgage and could speed the acceptance of private mortgage insurance, especially in secondary markets. It could thus make available even more sources of low downpayment, long-term home financing for prospective home buyers.

II. THE CHALLENGE OF LOW-INCOME HOUSING

Since 1937, the Federal Government has tried to help low income families by providing housing for them. Over the years, nearly $90 billion of the taxpayers' money has been spent or committed for public housing projects and other subsidized housing programs.

These programs have been particularly active during the past few years. Since 1969, the Federal Government has subsidized nearly 1.6 million units of new housing and over 400,000 units of existing and rehabilitated housing. These 2 million units will cost taxpayers an estimated $2.5 billion in each of the next few years and could cost us close to $50 billion altogether.

THE FAILURES OF FEDERAL HOUSING PROGRAMS

But what have we been getting for all this money?

Federal programs have produced some good housing—but they have also produced some of the worst housing in America. Our recent study makes this clear—and so does my own experience.

I have seen a number of our public housing projects. Some of them are impressive, but too many are monstrous, depressing places—run down, overcrowded, crime-ridden, falling apart.

The residents of these projects are often strangers to one another—with little sense of belonging. And because so many poor people are so heavily concentrated in these projects, they often feel cut off from the mainstream of American life.

A particularly dramatic example of the failure of Federal housing projects is the Pruitt-Igoe project in St. Louis. It was nominated for all sorts of awards when it was built 17 years ago. It was supposed to house some 2,700 families—but it simply didn't work. In fact, a study of this project was published two years ago with the appropriate subtitle: "Life in a Federal Slum."

Last month, we agreed to tear down this Federal slum—every unit of it. Almost everyone thought it was the best thing we could do.

Pruitt-Igoe is only one example of an all too common problem. All across America, the Federal Government has become the biggest slumlord in history.

But the quality of Federally-assisted housing is by no means the only problem. Our present approach is also highly inequitable. Rather than treating those in equal circumstances equally, it arbitrarily selects only a few low income families to live in Federally supported housing, while ignoring others. Moreover, the few often get a *new* home, while many other families—including those who pay the taxes to support these programs—must make do with inferior older housing. And since recipients often lose their eligibility for public housing when they exceed a certain income level, the present approach can actually reward dependence and discourage self-reliance.

The present approach is also very wasteful, for it concentrates on the most expensive means of housing the poor, new buildings, and ignores the potential for using good existing housing. Government involvement adds additional waste; our recent study shows that it costs between 15 and 40 percent more for the Government to provide housing for people than for people to acquire that same housing themselves on the private market.

One of the most disturbing aspects of the current approach is the fact that families are offered subsidized housing on a "take it or leave it" basis—losing their basic right to choose the house they

will live in and the place they will live. Too often they are simply warehoused together wherever the Government puts them. They are treated as a class apart, with little freedom to make their own decisions.

DEVELOPING A BETTER APPROACH

Leaders of all political persuasions and from all levels of government have given a great deal of thought in recent years to the problem of low-income housing. Many of them agree that the Federally-subsidized housing approach has failed. And many of them also agree on the reasons for that failure.

The main flaw they point to in the old approach is its underlying assumption that the basic problem of the poor is a lack of housing rather than a lack of income. Instead of treating the root cause of the problem—the inability to pay for housing—the Government has been attacking the symptom. We have been helping the builders directly and the poor only indirectly, rather than providing assistance directly to low income families.

In place of this old approach, many people have suggested a new approach—direct cash assistance. Under this approach, instead of providing a poor family with a place to live, the Federal Government would provide qualified recipients with an appropriate housing payment and would then let them choose their own homes on the private market. The payment would be carefully scaled to make up the difference between what a family could afford on its own for housing and the cost of safe and sanitary housing in that geographic area. This plan would give the poor the freedom and responsibility to make their own choices about housing—and it would eventually get the Federal Government out of the housing business.

Not surprisingly, our recent housing study indicates what others have been saying: of the policy alternatives available, the most promising way to achieve decent housing for all of our families at an acceptable cost appears to be direct cash assistance.

Our best information to date indicates that direct cash assistance will in the long run be the most equitable, least expensive approach to achieving our goal of a decent home for all Americans—a goal I am committed to meeting. It appears to be a policy that will work—not a policy where success will always be a mirage. However, it may develop that the advantages we now see for direct cash assistance will be outweighed by other factors not presently foreseen or that such advantages may be obtainable in alternative ways which offer additional advantages. In that event, I would, of course, reexamine the situation in partnership with the Congress before moving ahead. But right now, in my judgment, our principal efforts should be directed toward determining whether a policy of direct cash assistance—with first priority for the elderly poor—can be put into practical operation.

As we proceed with new policies for aiding lower income families, we must also move with caution. Too often in the past new Federal programs have been launched on a sea of taxpayers' dollars with the best intentions but with too little information about how they would work in practice. The results have been less than what was promised and have not been consistent with the Government's obligation to spend the taxpayers' money as effectively as possible.

One particular problem is that past efforts in one area of assistance have tended to ignore programs in other areas, resulting in an inequitable hodge-podge activity which satisfies no one. In this regard, the relationship between housing programs and welfare payments is particularly critical. We must carefully consider the ways in which our housing programs will relate to other programs which also assist low income persons.

Some field work has already begun with respect to direct cash assistance in the area of housing for those with low incomes. In 1970 the Congress authorized housing allowance experiments involving over 18,000 families and costing over $150 million. We expect preliminary data to emerge from these tests in the coming months and we intend to use these data as we evaluate the possibility of further efforts.

This work should help us answer some important and difficult questions.

What, for example, is the appropriate proportion of income that lower income families should pay for housing? Should this level be higher or lower for different kinds of families—for young families with children, for example, or for the elderly, or for other groups? Should families receiving Federal aid be required to spend any particular amount on housing? If they are, and the requirement is high, what kind of inflationary pressures, if any, would that produce in tight housing markets and what steps could be taken to ease those pressures? In the important case where poor families already own their own housing, how should that fact be weighed in measuring their income level? How should the program be applied in the case of younger families who have parents living with them?

All these questions are critical—and they deserve close examination.

In addition, I am also asking the Congress for authority to take two other steps to help us test the cash assistance approach.

First, we need to expand our experimental programs to test additional techniques for administration.

Second, we need to develop and put into effect the appropriate mechanisms for measuring the cost of safe and sanitary housing in various parts of the country. Sound, reliable cost information of this kind would be of vital importance to a fully operational program.

If these steps can be taken in the near future, then I believe we will have the basic information needed to make a final decision concerning this approach late in 1974 or early in 1975.

A CONTINUING NEED FOR LIMITED CONSTRUCTION PROGRAMS

During the period in which a new approach is being developed, there will be a continuing need to provide housing for some low income families. We must recognize that in some areas of the country there will simply not be a sufficient supply of housing for the foreseeable future. I therefore propose that the Federal Government continue to assist in providing a limited amount of construction for low income housing—though I would expect to use this approach sparingly.

To eliminate the many tangled problems which attend the delivery of subsidies under current construction programs, I am recommending a new approach to construction assistance by the Federal Government. Under this approach, the developer would make newly constructed units available at special rents for low income families and the Government in return would pay the developer the difference between such rents and fair market rents.

During the remainder of fiscal year 1974, the Department of Housing and Urban Development will continue to process subsidy applications for units which had moved most of the way through the application process by January 5 of this year. In addition, the Department will process applications in cases where bona fide commitments have been made.

I am advised by the Secretary for Housing and Urban Development that one of the existing construction programs—the Section 23 program under which new and existing housing is leased for low income families—can be administered in a way which carries out some of the principles of direct cash assistance. If administered in this way, this program could also provide valuable information for us to use in developing this new approach.

Accordingly, I am lifting the suspension of January 5 with respect to these Section 23 programs. I am also directing the Secretary of Housing and Urban Development to take whatever administrative steps are available to him to eliminate any abuses from such programs and to bring them into line as closely as possible with the direct cash assistance approach.

Altogether, in order to meet bona fide commitments requiring action during this fiscal year and to carry out the Section 23 program, authorization has now been given to process applications for an additional 200,000 units, 150,000 units of which would be new construction.

IMPROVING THE OPERATION OF PRESENT PUBLIC HOUSING

There was a time when the only continuing Federal expense connected with public housing after it was built was paying the debts incurred in building it. Other expenses were met from rental income.

As time went on, however, laws were passed making the Federal Government liable for operating deficits. In recent years, as the operating costs of public housing projects has increased and as the income level and rent payments of their occupants have decreased, the cost of such projects for the Federal Government has gone up at an alarming rate. The Federal bill for operating subsidies has grown more than eightfold since 1969—from $33 million annually to $280

million annually—and an additional $1 billion has been obligated for capital improvements.

Moreover, as efforts have been made in recent years to prevent tenants from paying too much of their incomes for housing, some housing managements have been persuaded that some tenants should pay nothing at all. The Federal Government then picks up a good part of the tab, adding considerably to the costs of maintaining these projects.

This growing financial burden for the Federal Government is only one of many problems relating to public housing. Because the local housing authority is responsible for the management of public housing projects while the Federal Government is responsible for project deficits, including those due to poor management, the local authority has little incentive to improve management standards.

There are also indications that even with improved management and a more realistic approach to rents, current Federal subsidies may need to be adjusted to provide for continued operation and maintenance of these projects.

In view of these many problems, I have asked the Secretary of Housing and Urban Development to develop a set of recommendations addressing each of these problems. One of our goals will be to achieve a more equitable sharing of responsibility among the Federal Government, local communities and residents.

III. ADDITIONAL ACTIONS TO MEET OUR HOUSING NEEDS

NEIGHBORHOOD PRESERVATION

Simply providing Federal housing assistance to families without proper regard for the condition of the neighborhood as a whole too often results in unmet expectations for the families, added burdens for the municipality and a waste of the taxpayers' dollars. It is important, therefore, that all of our efforts in the housing and community development field be carried out as a partnership venture of the Federal Government, the local government, local financial institutions and the citizens of the neighborhoods involved.

Added resources such as those which would be available under my proposed $2.3 billion Better Communities Act can provide important support for these efforts. To smooth the transition to the Better Communities Act, I am directing the Department of Housing and Urban Development to make available up to $60 million in section 312 rehabilitation loans in the current fiscal year. Priority will be given to those communities which need these loans to complete present projects or where complementary local rehabilitation efforts have already been launched.

In addition, I have directed the Secretary of Housing and Urban Development, using his research and demonstration funds, to pursue promising approaches to neighborhood preservation which might be adopted by communities on a broader basis.

IMPROVING RURAL HOUSING

The problems of providing good housing in our rural areas are especially challenging, not only because the proportion of substandard housing is greater in rural areas but also because these areas often lack the resources to foster greater economic development—and better housing. Of course, many of our housing programs and proposals are designed to assist all families, urban and rural alike. But there is also a special need to address in a special way the rural housing challenge.

Our recent housing study concludes that the basic housing problem in many rural areas is that our major financial institutions are not represented in these areas and that credit is therefore inadequate. The Farmers Home Administration has done a great deal to help change this picture—but further efforts are needed. At my direction, the Department of Agriculture and the Department of Housing and Urban Development will seek additional ways of correcting this situation and increasing credit availability in rural areas.

In my Community Development Message last March 8th, I emphasized that "in pursuing a policy of balanced development for our community life, we must always keep the needs of rural America clearly in sight." I mentioned then my continuing support for a revenue sharing approach for rural development, acknowledging that the Rural Development Act fell short of what I preferred in this regard. I went on to indicate my intention, after fully evaluating the effectiveness of this act, to seek whatever additional legislation may be needed. I repeat that pledge today.

A SUITABLE LIVING ENVIRONMENT

The housing we live in and the environment surrounding that housing are inextricably linked. In the final analysis, the quality of housing depends on matters such as transportation, proximity to educational and health services, and the availability of jobs and shopping. It also depends on economic factors which are shaped by the larger community. One important finding of our housing study was that the costs of the land on which new housing is located has risen faster than any other cost component of housing.

The Congress, too, has recognized these relationships in its finding "that Federal programs affect the location of population, economic growth, and the character of urban development [and] that such programs frequently conflict and result in undesirable and costly patterns of urban development which adversely affect the environment and wastefully use our natural resources."

It is clear that housing policy cannot be considered separately from other policies related to the economic, social and physical aspects of community development. The next Report on Urban Growth, which I shall submit to the Congress in 1974, will further address these crucial relationships.

ASSURING EQUAL OPPORTUNITY

Over the last several years, great strides have been made toward assuring Americans of all races and creeds equal and unhindered access to the housing of their choice. As I stated in 1971:

> At the outset, we set three basic requirements for our program to achieve equal housing opportunity: It must be aimed at correcting the effects of past discrimination; it must contain safeguards to ensure against future discrimination; and it must be results-oriented so its progress toward the overall goal of increasing housing opportunities can be evaluated.
>
> The administration is embarked upon this course. It must and will press forward firmly.
>
> The chief components of such a program include the firm enforcement of laws relating to equal housing opportunity, the development of appropriate equal housing opportunity criteria for participation in programs affecting housing, the development of information programs, and the development of policies relating to housing marketing practices.

Each of these components has been put into operation and we are continuing to move ahead. It is important that all Federal agencies vigorously pursue a wide range of efforts to enforce fair housing and equal opportunity laws—and all members of my Administration will continue to be particularly vigilant in this regard.

The availability of mortgage credit has also been restricted in many instances on the grounds that the applicant's financial resources, which would otherwise have been adequate, were deemed insufficient because the applicant was a woman. These practices have occurred, unfortunately, not only in home mortgage lending but also in the field of consumer credit. I shall therefore work with the Congress to achieve legislation which will prohibit lenders from discriminating on the basis of sex or marital status.

FURTHER PROPOSALS

A number of other proposals which have grown out of our recent housing study will be included in the legislation I will submit to the Congress. They include efforts to encourage home improvements and to facilitate the purchase of mobile homes; measures to ease the Federal burdens in disposing of the large and still growing number of properties returning to the Government upon default; and steps to streamline and reduce the processing time for FHA applications, including a proposal that would move toward the Veterans' Administration technique of coinsurance. I urge their prompt consideration.

The American dream cannot be complete for any of us unless it is within the reach of all of us. A decent home in a suitable living environment is an essential part of that dream.

We have done a great deal as a people toward ensuring that objective for every American family in recent years. Our success should not be a reason for complacency, however; rather, it should reinforce both our determination to complete this work and our confidence that we can reach our goal.

The measures I have discussed in this message can make a significant contribution to that great undertaking. I look forward to working closely with the Congress in advancing these efforts.

RICHARD NIXON.

THE WHITE HOUSE, *September 19, 1973.*

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 464]

Ashley	Dulski	Powell, Ohio
Badillo	Eckhardt	Rooney, N.Y.
Barrett	Esch	Roy
Blatnik	Gray	Staggers
Brown, Ohio	Hansen, Idaho	Steiger, Ariz.
Burke, Calif.	Kemp	Stokes
Burke, Fla.	Litton	Symington
Burleson, Tex.	Lujan	Teague, Tex.
Carey, N.Y.	McEwen	Ware
Clark	Milford	Wilson,
Clay	Mills, Ark.	Charles, Tex.
Dellums	Obey	

The SPEAKER. On this rollcall 400, members have recorded their presence by electronic device, a quorum.

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

FAIR LABOR STANDARDS AMENDMENTS OF 1973—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is: Will the House, on reconsideration, pass the bill (H.R. 7935) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Pennsylvania (Mr. DENT) for 1 hour.

Mr. DENT. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, once again, this House has an opportunity to examine fairly and honestly, the question of the minimum wage rate. We ought to make the most of that opportunity.

The Members of the House know perfectly well that there is nothing sacrosanct about the $1.60 hourly rate which we established in February 1968.

It was not carved in stone and handed down to us from on high by some infallible authority. It was hammered out in the familiar legislative process in 1966 in the committee rooms and debating chambers of this Congress—by men and women Members of the Senate and the House.

No thundering voice from Mt. Olympus told us: "This is noninflationary."

This year, again acting in our legislative capacity, we made a decision to raise the rate to $2 on November 1, and $2.20 next July 1. Those are reasonable figures which the economy can absorb and which the country does accept.

Now, the President contends in his veto message that H.R. 7935 is inflationary. He is entitled to his view, but I submit that the Congress has no obligation to roll over and play dead in the face of it. We have responsibility to do a little thinking of our own.

The immediate issue is a minimum wage of $2 an hour, beginning in about 6 weeks.

Now, the Congress should recall that earlier this year, the President's own Cost of Living Council administratively washed its hands of hourly wages of less than $3.50 on the ground that they had little or no impact on the inflationary pressures in the economy.

If $3.50 an hour is not inflationary, how can it be that a $2 an hour rate is suddenly going to fuel inflation, cause unemployment, and "hurt those who can least afford it"?

Mr. Speaker, nearly half of the States provide higher amounts in welfare payments plus food stamps to a family of four, than the minimum wage rate allows the wage earner of the family to earn in the course of a year. Anyone who can call that kind of minimum wage inflationary has a strange view of economics.

When the present minimum of $1.60 became effective in February 1968 the Consumer Price Index—commonly known as the Cost of Living Index—stood at 102.3. In February 1969 it was 107.1. In February 1970 it was 113.9. In February 1971 it was 119.4. In February 1972 it was 123.8. In February 1973 it was 128.6. And in July 1973 it was 132.7, and climbing.

This is an increase of 29.7 percent in the last 5½ years—and the minimum wage remains pegged at $1.60, apparently right where the President wants it.

Mr. Speaker, what $1.60 purchased in February 1968 required $2.08 to take home in July 1973 the last month for which I have figures. The requirement would be greater today, and will be greater still by the end of the year, even by administration estimates.

These figures from the Department of Labor illustrate how cruelly the low income families of the Nation have suffered because of inflation. And they illustrate the inequity of maintaining an unrealistic minimum wage rate.

It appears we have been more willing to hand out welfare payments than to guarantee a decent wage to people willing to work and lucky enough to have a job.

Mr. Speaker, I was particularly disappointed that the President saw fit to base part of his disagreement with this bill on the absence of a special or lower minimum wage for young people.

This has a strange sound in a period in which we have heard shouted from the rooftops, "Equal pay for equal work."

If young people work at the same level of competence as other employees, then they are surely entitled to the same pay. To refuse them this right is to be guilty of discrimination on account of age.

It is about as logical to provide a lower minimum wage for young people as it would be to provide a lower rate for those in our society who are over 60. It would be about as logical as providing a lower pay scale for our young men in the Army and Navy and Air Force, simply because they are under a certain age.

To my way of thinking, this argument has no standing, and I think the Congress should reject it out of hand.

Clearly, Mr. Speaker, the time has come to increase the minimum wage to the modest levels prescribed by H.R. 7935. I urge the Members to take that step now by repassing the bill over the President's veto.

Mr. DENT. Does the gentleman from Minnesota wish to have time?

Mr. QUIE. Yes; I should like some time, if the gentleman would yield. How much time does the gentleman plan on yielding to the minority?

Mr. DENT. I had planned on about 20 minutes in the hope that we could work it out that someone would take less time, because I have requests by three speakers on this side.

Mr. QUIE. Will the gentleman yield 20 minutes to me so that I can yield to others? Right now will the gentleman yield to me 4 minutes?

Mr. DENT. I yield the gentleman from Minnesota 4 minutes, and will reserve his 16 minutes.

Mr. QUIE. Mr. Speaker, I urge my colleagues to vote to sustain the President's veto on the minimum wage bill. We all have different reasons for this, and I am going to tell the Members my reasons and then let some of the others tell theirs.

It is my feeling that there are some very strong reasons why this bill was vetoed and ought to have been. One of the strongest is the effect it would have on State and local governments and the increase there would be on the taxes of State and local governments. I am not speaking about bringing State and local employees under the minimum wage, but putting them under the overtime provisions. That is where the real damage to local governments would occur, increasing their necessity to increase taxes.

As far as I am concerned, it was quite acceptable to bring State and local employees under the minimum, but we should not have put them under the overtime provisions, because this ought to be left to the State and local governments and is being worked out by them now.

When this bill came from conference I spoke out strongly at that time saying that we should not have adopted the conference report, because even some of the improvement that was made in the House bill on the youth differential was dropped in conference. It would be my hope we should be able to have a better youth differential than is in this bill that was vetoed.

Most concern is over the rate. Personally I really can't see why we should get that excited about $2 an hour minimum wage immediately for those who are covered prior to 1966, $1.80 for those who are covered afterwards, and $1.60 for agricultural employees.

Really the difficulty I could see in the increase that the administration referred to should not be that starting rate but rather how fast it jumps. This bill says that by July 1 of next year the $2.00 would go to $2.20, which would mean

it is really a 60-cent increase from the time this program goes into effect until July 1, 1974, if we had a little bit of stretchout, I think this program might not have been vetoed.

There are three areas of concern I mentioned: that the increased rate to $2.20 is too fast; second, that we put State and local employees under the overtime provisions; and third, that we could not even hold onto the improvement in the youth differential that was in the House-passed bill.

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

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

Mr. BURTON. Mr. Speaker, as the gentleman from Minnesota knows, we chose the July 1 date to prevent the Republicans from stalling the effective date for the future step increases. We were asked to delay reporting the bill until the Secretary of Labor appeared before the committee. If we had not had that 3 to 5 week delay, then July 1 would have been the anniversary date of the enactment of the bill. So the majority agreed to this delay in reporting the bill, provided that the delay would not result in harming the poor on the second step and following step increases of the increase.

It was the administration that asked for the delay of 3 to 5 weeks—and the majority who agreed, as a courtesy—so the accelerated date for the future steps was caused by the Republicans—not the Democrats.

Mr. QUIE. Mr. Speaker, I will not yield any further because I get the gentleman's point now.

There is no way we can put the increase in the minimum wage into effect before the bill becomes law, and the Department of Labor needs some time afterward in order to get guidelines out to the employers. That takes some time. The legislation, no matter what we pass, will take about 60 days to put into operation, and we cannot blame the minority because the legislation does not come to the floor until now. We have had the opportunity really of considering this legislation all the time this year. The delay is certainly the responsibility of the majority—the Democrats.

I would say we ought to get back to this bill as soon as we sustain the veto and get a good minimum wage bill out.

Mr. DENT. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Speaker, I think it is very important that we consider the possibility of really overriding this veto today and I will try to enlist the support of the Members at this late hour today by speaking on the basis of their humanitarianism rather than on the basis of the talk about inflation that will come in the next few minutes on this measure.

There are 900,000 women in this country who are domestics and over 200,000 of these women are heads of families. When we speak of putting them in the provisions of this act we are ultimately speaking of putting them by July 1, 1974, into a position where these women will be making $88 per week. Many men in this Chamber will recognize that this sum does not even cover the cost of food in many of their own households on a weekly basis and yet many of the domestics have to assume the responsibilities of providing the basic necessities of life, including food, clothing, and shelter.

We can speak of inflation, but pertaining to these individuals we have to recognize how the inflation affects this particular group of persons in our Nation today, these people who will only be earning $88 per week.

We have been hearing a great deal about the work ethic. People who are poor have a great deal of pride and want to make a contribution to this Nation. Therefore I make an appeal to the Members on the basis of humanitarianism and not on the basis of whether or not this is inflationary, because if we talk about inflation we must also talk about increases in the bank rates and the depreciation allowance and all those other categories in our society who have been getting relief by the Congress precisely because of inflation but they fall into one of the favored categories of the current administration.

Yet, one particular segment in America which merely desires to secure the basic necessities of life has not been able to get any kind of consideration. Members of the House, I am speaking only about asking the Members to override the veto so that 900,000 persons who are maids in this country can at least make $88 per week—$88 per week.

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

Mrs. CHISHOLM. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I had a schoolteacher call me. She hires a lady because she has children going to school. This woman comes in to be there when the children go to and come back from school and does some domestic work around the house while the teacher is away. She does not have a husband. She pays this lady $50 a week

This lady is the wife of a retiree and is not old enough to draw social security. This $50 supplements their retirement. She enjoys her work very much.

If she is covered under this minimum wage, this schoolteacher obviously cannot pay her and she will lose her job and lose the supplement to her husband's retirement. There are many thousands in this same situation.

To me, this is basically wrong.

Mrs. CHISHOLM. Mr. Speaker, we have all got to recognize that there are thousands of ladies who have the sole responsibility for taking care of their families and will not be able to adequately support their families. What Mr. CEDERBERG speaks of is an individual who does not have the sole responsibility for a family's upkeep.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I rise to urge my colleagues to sustain the veto of the President of this legislation. I voted for a minimum wage bill when it left the House of Representatives. I think that ought to establish the fact that I am not opposed in principle to a minimum wage, for I am not. I realize the validity of many of the arguments which have been made with reference to the rise in the cost of living, but I noted with great interest a remark which was made by the distinguished chairman of the full committee when he said that he was disappointed, and he regretted the fact that the President had mentioned the lack of adequate provisions in this bill for youth employment as an important reason for his veto.

That is the substantive reason why I am going to vote to sustain this veto, because of my disappointment, my frustration over the fact that even after voting for this when it left the House with the hope and expectation that somehow out of the conference would come an acceptable provision with respect to the minimum wage for young people 16 and 17 years old, unemployed teenagers; that this did not happen.

I would say to the Chairman that when he stands before this House and says that we are in derogation of the principle of equal pay for equal work and that those with equal competence ought to get equal pay, that I agree with him 100 percent, but he misses the whole point. It is the fact that we do have thousands and thousands of 16 and 17 year old unemployed teenagers who do not have the competence now to carry on useful employment until they get some on-the-job training and experience.

So, we wish to give them 6 months of that kind of experience at 85 percent of the minimum wage in order to try to bring down the unconscionable rates of teenage unemployment that exist, up to 35 and 40 percent in some of the ghetto areas of our country.

This, I submit, is not an unreasonable objective. If for no other reason—if for no other reason, I think it warrants sending this committee back to the drawing boards to come up with a better bill. There is time to fashion an acceptable bill that can become law. We should have a bill, but it is important that it be a bill that does not throw away an opportunity to aid the cause of youth employment.

Mr. DENT. Mr. Speaker, I yield myself 1 minute in order to correct a statement just made.

Mr. Speaker, present law on youth labor provides 85 percent of the minimum wage already. It provides it for students. However, the present law also provides that the Secretary of Labor can set the minimum wage at any figure he deems advisable and proper for any unemployed youth. That is at any wage level the Secretary feels would be proper, if he is a learner, a beginner, or an apprentice.

I have understood the argument of the gentleman from Illinois from the very beginning. The people who want this subminimal youth labor provision in this act do not need learners, and the Secretary has so determined. The hash slingers, the hamburger servers to the great youth employers of this country do not need training the law requires.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield for a question.

Mr. ANDERSON of Illinois. The point is, I say to my dear and distinguished friend from Pennsylvania, I have it on excellent authority that under the provisions as they emerge in the conference report this is unworkable, yet the gentleman can say, as he has said, that there are provisions which would permit employing young people at 85 percent of the minimum wage. The restrictions with respect to certification are so cumbersome that the practical value, the practical effect, is nil.

Mr. DENT. Mr. Speaker, I yield myself 1 additional minute to answer the rather well-defined question.

Very seriously, we are talking about a provision of law. We did not amend that section dealing with beginners and learners. We did not say anything in the report, which said that a young person out of school, a dropout, could not have a training period to prepare himself.

The problem is that there are 4,910,000 students getting loans and grants in this country. We knew, and every person in this room knows, that those individuals are trying to better themselves, trying to keep from being dropouts. So we provided a mechanism whereby they could. We provided the mechanism for a subminimal wage against the opposition of every labor organization in this country. This Congress had the courage to set that up.

But no one can ask us to put youth in the full-time labor market in competition with their fathers, who now number 7,955,000 drawing unemployment compensation. This is putting them into the full-time labor market at 20 percent less, giving them a magnificent wage of $1.60 an hour. The $1.60 has now been reduced to $1.25 in buying power, which means these boys would have a buying power of about $1.

We cannot hide behind any "fakery" in this legislation.

Mr. QUIE. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, I urge the House to sustain the President's veto of the minimum wage bill.

May I say, as I have listened to the debate of those who have argued we should pass this bill it seems to me very difficult to fully understand or comprehend their rationale.

There are basically four reasons why I believe this bill needs to be redrawn, and why I hope that when the House sustains the President's position the Committee on Education and Labor will find it possible to bring back another bill we can consider.

In the first place, the rate of increase is simply too rapid.

In the second place, there is not, the gentleman from Pennsylvania notwithstanding, an adequate, effective, viable youth differential to recognize the needs of young people in the labor market.

In the third place, it is going to be, I believe, on balance, disruptive in the economy because of the mandated increases applicable to State and local governments in terms of overtime and because of the effect on seasonal industry by repealing the exemption that now exists in the seasonal industries which, over the long run, I believe will heighten the already difficult food supply situation.

In the fourth place, and perhaps as important as any other single reason, the telegrams, the letters, the personal telephone calls all of us are getting from local men and women in the trade labor councils, in my district and districts across this country, make the point—and it is a valid one—that there should be an increase in the minimum wage. I, for one, do not argue that there is in fact a need to increase the minimum wage. But I believe at the very time this Congress is dealing in the Rules Committee and in the Bolling-Martin committee with problems of how we should handle budget control and how we should act to achieve a lesser rate of inflation, the total impact of this bill, in my judgment is one that will certainly far accelerate the already complex problems we have in the economy of this country.

Mr. Speaker, I simply cannot justify the rapid rate of increase in the minimum wage at this point in our history, and I believe it would be a mistake if we were to override the President's position. The President is correct; I believe the House conferees on our side were correct in their analysis of this bill.

The position of the House, I trust, will be to support the President so that the Committee on Education and Labor will be forced to come back to this House with a bill that makes economic sense and makes human being sense as well. This bill fails on both counts.

Mr. DENT. Mr. Speaker, I yield myself 30 seconds in order once again to clear the record.

Mr. Speaker, the gentleman said that he does not mind increasing the minimum wage, that it is a question of time, and it is a question of the rapidity of the increases.

Well, it might interest the gentleman to know that with last year's Erlenborn bill and the Anderson amendment, we would have had the minimum wage at $2 today; and yet it is said that it is too fast, and now it is a year later.

Mr. Speaker, I did not defeat that bill. The bill was defeated by the Republicans, who have not passed a minimum wage bill in their history in these United States of America.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I vote to override the President's veto of the minimum wage bill. This is a long overdue wage increase for the worst paid workers in America. This bill (H.R. 7935) would require wage increases for 4 million of the Nation's worst paid workers and would extend minimum wage coverage to 7 million additional employees, including domestic employees, government employees, certain employees of conglomerates, retail and services employees of chain stores, and others.

I strongly disagree with the veto message's contentions that H.R. 7935 would cause unemployment, would be inflationary and would hurt those who can least afford it. The message predicts that the effects of H.R. 7935 would be a "significant decrease" in jobs, particularly for the young, minority group members, the elderly and women. The President labeled a 25 percent increase in the minimum wage as "too much." Nonetheless, the President has not labeled as "too much" the 38 percent increase in food prices since February 1968, the last time the minimums were increased. The President's contentions are not supported by the studies of the Secretary of Labor. Those reports have all shown substantial benefits and only rare, isolated instances of adverse employment effects from an increase in the minimum wage. The Bureau of Labor Statistics standards on unemployment show that minimum wage increases do not result in unemployment.

The Department of Labor early this year redefined the poverty threshold for a nonfarm family of four in the continental United States to $4,200 in annual net income. A minimum wager working 40 hours per week for 50 weeks during the year receives $3,200 in annual gross income. This worker enjoys less purchasing power than he had with the pre-1966 minimum of $1.25. The cost of living has risen one-third since 1966. Even to keep pace, the minimum wage would have to be raised to $2.13 immediately, rather than to $2 in November.

The veto message of the President referred to three groups of employees "especially hard hit" by the bill before us today. The President said:

> The ones who would be the first to lose their job because of a sharp increase in the minimum wage would frequently be those who traditionally have had the most trouble in finding new employment—the young, members of racial and ethnic minority groups. . . .

Aside from the absence of evidence to support the idea that low wages create jobs, studies have found that minimum wage rates have had no adverse effect on employment opportunities for teenagers. The administration strongly desires a subminimum for broad categories of young workers. Yet the Congress has considered the concept and rejected it in favor of a limited subminimum for full-time students working in certain occupations. Further, the law already exempts learners and apprentices from the minimum. The Congress has determined that a general youth subminimum would violate the basic objective of the law, that is, the raising of wages of the poorest paid who are in no position to bargain for themselves.

I believe that the administration's youth subminimum wage would exploit youth and threaten the jobs of breadwinners and heads of households, thereby moving unemployment to the older age group. The President's notion of a special minimum wage rate for all teenage youth, simply because they are young, evidences a lack of understanding about the role of wages in our economy and the problem of youth employment.

This bill will attempt to raise the pay and dignity of domestic work by extending coverage to 935,000 such workers and requiring the $1.80 minimum in Novem-

ber 1973 to $2.20 by July 1975. I support this raise in pay for private household workers. Similarly, I support the extension of coverage to employees of establishments which are part of a chain or a conglomerate.

The AFL–CIO persuasively states that 22 States have higher monthly welfare benefits than the breadwinner for a family of four can earn on the Federal minimum wage. The higher minimum wage would permit some of the lowest paid workers, whose income is now supplemented by welfare, to go off the welfare rolls, thus reducing welfare costs.

I urge my colleagues to vote to override the President's veto, to assure the well-being of millions of workers and their families who reside on the lower rung of our economy.

Mr. DENT. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I hope that we will override the President's veto today. It makes poor sense, and it is a mockery to say that increasing wage levels from $1.60 to $2 and eventually to $2.20 is inflationary—"inflationary" to merely sustain life when corporate profits are at the highest level in history.

A 25-percent increase in the minimum wage is "too much," the President says. That is what we are asking. And yet the President has allowed, through his mismanagement of the domestic economy, a 38-percent increase in the cost of food since 1968, the last time we passed legislation on the minimum wage issue.

Mr. Speaker, the leadership on the other side of the aisle is aware of the fact that there is only one major item in this bill, as I understand it, with which the President is upset and which is given as the reason why the President vetoed the bill, and that is the 18-year-old limitation.

Labor will not concede on this point. Labor will not give 1 inch on this, and labor should not give an inch on this issue.

Mr. Speaker, let us discuss the youth differential. The President argues that the youth differential will be a spur to more jobs, that H.R. 7935 will only drive teenage unemployment rates higher.

This is what the record really shows: Putting money in the hands of low-wage earners is the most direct way of creating purchasing power and providing additional jobs. Studies have shown that minimum wage rates have had no adverse effect on employment opportunities for teenagers.

Let us just look at the statistics. There were 1,170,000 people unemployed during the last year who were between the ages of 16 and 19. Now, only 731,000 of those people wanted a full-time job.

Mr. Speaker, the interesting fact is that 880,000 American youths between the ages of 20 and 24 were unemployed as of August of this year.

Now, the truth of the matter is this: If one can hire a 16- or a 17-year-old employee to do the same work that a 20- or a 21-year-old person will do, and he can hire him at a cheaper rate, then whom is he going to hire? He is going to hire the 16-year-old boy or he is going to hire the 17-year-old boy instead of the the 20- or the 21-year-old young man. And as I say, in that age group between 20 and 24, there were 888,000 unemployed in America as of August of this year.

It is unfair to that group. It is unfair to the older people, those who are unemployed, those who do that type of work, as provided in the minimum wage bill.

Mr. Speaker, I believe that it is a fair piece of legislation, and I agree with labor that they should not yield on this matter at all. This is a matter of principle.

A man should be paid equal wages for equal work. That is the only thing, as I understand it, that is holding up the signing of this bill.

I think in fairness to the people of America we ought to override the veto in this matter.

Mr. DENT. Mr. Speaker, I yield to the gentleman from South Dakota (Mr. DENHOLM), such time as he may use.

Mr. DENHOLM. Mr. Speaker, the compelling evidence of increased costs of living in recent months render it impossible to sustain the Presidential veto in this matter.

In 1971, the President asked for and the Congress gave him a $16.5 billion corporation tax reduction. I voted against it. We should have then increased taxes during the "wind-down" of the war.

In 1972, the President asked for and the Congress gave him a "revenue sharing" program when we had no revenue to share. I did not support and I did not vote for Federal revenue sharing in 1972.

The tax writeoff and revenue sharing errors totaled about $50 billion—and so the President asked for and the Congress gave him and increase in the National debt ceiling in comparative amounts. I voted against it.

In less than 15 months the President reduced the value of the dollar 30 percent and the cost-of-living index spiraled upward like an Alaskan thermometer in the Bahamas.

Postwar years resulted in corporate profits unequaled in recent history—and most working people in America are employed and continue to be employed by corporations at 1968 wage-rate levels.

I submit major economic policy decisions of the Nixon administration have been inflationary.

The working people of this country react to increased costs of living and they do not cause it. They are victims of inflation—not the villians. All people—the aged, the blind, the crippled, the poor, the sick and all that are retired or trying to "make ends meet" on savings or fixed incomes are the victims of the most vicious tax of all—inflation.

And so, when the President for years has adamantly refused to support essential tax reform or increase taxes for essential revenue to administer this Government—he has unwittingly pursued a course of public policy that has produced a series of events of unfair, unjust and unreasonable penalties against all of our people that are least prepared to absorb the economic consequences.

Now, these acts by the President and by the Congress have embittered many—they are all lessons of how not to "run a railroad" and none have worked to the advantage of America.

Mr. Speaker, I voted against the enactment of this legislation and all amendments thereto. Today, I shall vote for it. The doubletalk of the message by the President on the veto is too much for me. He cannot recommend an increase in the minimum wage from $1.60 per hour to $2.30 per hour and veto the act of the Congress that provided for an increase to $2.20 per hour next July—July 1, 1974. He cannot have it both ways when it is clear that he does not want either way.

The greatest mistake of this Congress is the failure to increase the minimum wage level more often instead of waiting so long. It is far easier for employers to adjust to a slight increase in payroll overhead than to accept long-delayed "big jumps" in a short interval.

Mr. Speaker, I will vote against the action of the President today. I do so for all of the reasons that I have mentioned—and more. But most of all because there is a need for adjustment in the level of the minimum wage—and the will of this Congress must be sustained in the interest of the people at a reasonable level consistent with the rising costs of living unjustly imposed upon every American family by rampant and uncontrolled inflation. I urge all reasonable men and women to do likewise.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Speaker, I rise in opposition to the motion to override the President's veto of this amendment to the Fair Labor Standards Act. I support strongly and enthusiastically good wages, high productivity and efficient results as a basis for a strong and sound economy. But we cannot pay high wages when the other two elements are missing and still expect to survive in a free, private, personal enterprise system.

The announced aim of minimum wage laws is to help eradicate poverty. According to 1971 Bureau of the Census figures nearly half of poor family heads and two-thirds of unrelated poor persons did not work at all. These persons are mostly elderly, disabled or mothers with young children. So the economic cause of poverty is not so much low wages, but nonparticipation in the labor force. The majority of the poor thus would receive no possible benefit from a higher minimum wage because they have no family member employed.

Most of those workers who might be helped by a higher minimum wage would not qualify as poor by Government standards because they are mostly secondary wage earners—the wives or teenage children of a family head. A recent survey in Philadelphia found that 5 percent of the labor force was earning less than $1.60 an hour. The majority of these workers were close relatives of a family breadwinner. The average income of a

family in which the wife was earning less than $1.60 an hour was $9,249. The average income of a family in which some other relative was receiving wages of less than $1.60 an hour was $10,108. These families were thus not poor; they had, in fact, just about average incomes. Again, assuming that these workers do not lose their jobs, an increase in the minimum wage will not lift their families out of poverty since they are already well above the poverty line.

Most academic economists say that higher minimum wage laws reduce the employment opportunities for marginal workers, especially the elderly, women, and teenagers. In addition, Andrew F. Brimmer—the only black member of the Federal Reserve's Board of Governors—has said that the severe youth unemployment problem "is being aggravated by federally imposed wage legislation." He asserts that the evidence suggests that changes in the minimum wage law during the past decade have impelled employers not to hire younger workers because the minimum wage was higher than their worth to the firm. While the overall unemployment rate last year was 5.3 percent, workers between 16 and 19 had an unemployment rate of 15.6 percent. For black youths the rate was 35.9 percent and for white youths it was 13.2 percent.

I am sure that all my colleagues have been receiving the same mail I have about this vote on overriding the veto. The strongest demand for the minimum wage here comes from the big labor union bosses who know better than anyone else that an increase in the minimum wage boosts wages all along the line. No one can question the inflationary pressure of higher costs of labor along with every other increase in the cost of doing business. The working men and women of this Nation are the people who bear the heavy burden of inflation. I strongly challenge any segment of society—Congress, big labor, or whoever—when they contend that a federally imposed minimum wage is the answer to eliminating poverty.

Mr. DENT. Mr. Speaker, I yield 3 minutes at this time to the gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. Mr. Speaker, I have no illusions that anything I say this afternoon will change any Member's mind about minimum wages. I do hope, however, that some of you will at least think about the rationale behind the President's veto and weigh it against the facts.

The President gives a laundry list of reasons for his veto, and it is a suspiciously long and tortured explanation. Let us examine a few of them. He states in his veto message that the vetoed bill would have increased the minimum wage too fast and created unemployment as a result. This is fear and not fact. It is scare tactic not reason. The Department of Labor has reviewed the impact of every previous increase in the minimum wage and has never found any significant increase in unemployment attributable to minimum wage increases.

Next the President charges that the vetoed minimum wage increase is inflationary because employees earning more than the minimum wage will have to get comparable wage increases. It is difficult to believe that every employee in the country will soon be receiving 37 percent wage increases. Although some upward adjustment in pay scales for lower level employees may be necessary, it is extremely unlikely that such increases would affect enough employees to have an inflationary impact. The President must have realized the impossibility of pinning an inflationary charge on the minimum wage increase itself, so he tried, unsuccessfully, to pin the blame on proximate wage increases. I submit that this too is fear and not fact.

I cannot resist pointing out, Mr. Speaker, that the Cost of Living Council, the President's principal agent for controlling inflation, does not tamper with wage increases until wages above the level of $3.50 per hour, far above the proposed minimum wage of $2.20 an hour. There is recognition here of the lack of inflationary impact of these wage levels, and of the fact that it would be insufferable for the Government to refuse to allow workers to climb up the economic ladder to at least the poverty level.

The President then turns to predicting increased unemployment for young people, and domestic household workers. His alternative is a subminimum wage for youth, despite the fact that exemptions from minimum wage coverage for those in training or apprenticeship programs already exist. Further, there is no evidence that lower wages create employment opportunities for youth. I think such large employers of young people as McDonald's hamburger stands do so not simply because they can pay them less but because they work well too.

Employment in the field of domestic work has been declining for some time, largely because of the poor wages and the lack of advancement. Applying minimum wage coverage to domestic workers would give some semblance of dignity to this menial labor.

Finally, the President complains that the provision extending coverage to State and local government employees "is an unwarranted interference with State prerogatives." Yet city governments have not complained about this provision, and the Supreme Court has held that such action is well within the Congress power.

Mr. Speaker, I would hope that the President would have more substantive reasons for vetoing such a major bill. I hope my colleagues agree with me that the shallow justifications advanced in the veto message demand a vote override.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, many people feel that the United States is rapidly becoming a welfare state. Many of those people elected Richard Nixon to the office of President because they felt that he represented the work ethic, that he represented the traditional American ideal of a decent wage for an honest day's work. Many of those people resent the welfare recipient who they feel would "go out and get a job" if he had any degree of self-respect and self-interest.

Today we are here to consider a bill for the workers of America, those people whom President Nixon has called the "backbone of our economy," those people whom President Nixon extols for staying off the welfare rolls and those people whom President Nixon is thoroughly content to have live below the Department of Labor's established level of poverty.

The Department of Labor, earlier this year, set the poverty threshold for a nonfarm family of four in the continental United States at $4,200 annual net income. A worker earning the minimum wage working 40 hours a week, 50 weeks a year, receives $3,200 annual gross income.

The poverty level for a farm family of four in the continental United States is $3,575 annual net income. A worker earning the minimum wage in agriculture, working 40 hours a week, 50 weeks a year, receives $2,600 annual gross income.

The President of the United States is thoroughly content to allow the 11,000 workers in question to remain substantially below the level set by the administration itself as the point at which the barest essentials of living can be met. The minimum wage amendment would succeed in raising 11,000 workers, not to the poverty level, but in reasonable distance of it.

You know, I am ashamed. I am ashamed to have to stand here before you pleading for the right of our citizens, our own countrymen, to be able to live "within a reasonable distance below a poverty level." This, in a country whose 1973 gross national product was $1,194,-900,000,000—one trillion one hundred and ninety-four billion nine hundred million dollars.

President Nixon talks about the value of work as opposed to the scrouge of welfare. Do you know that 20 States and the District of Columbia provide higher amounts in welfare payments and food stamps to a family of four than the minimum wage rate provides to that family's breadwinner? And in over half of those States the welfare payments are higher even without the food stamps. And this is not, I can assure, as can anyone with an even passing knowledge of the welfare system, because welfare payments are so high.

If one reads the President's objections to the minimum wage bill, one would have to doubt whether or not he has even read the bill. He objects to the inclusion of youths who are in job training programs although the bill specifically exempts this group. He objects to the inclusion of employees in small retail and service establishments. Yet the bill clearly exempts this group as well.

The President speaks of "studies" which support his statements. Yet one wonders which studies these are, since the official reports of the Bureau of Labor Statistics state conclusively that, following the minimum wage increases of 1949, 1961, and 1967–68, unemployment decreased.

The President objects to the inclusion

of domestic workers under this bill. He tells us that domestics will suffer because of mass dismissals if their jobs finally command a decent wage. The fact is that in the past decade domestic employment has dropped by 1 million, not because of a lack of demand, but because increased awareness of self-worth has caused a lack of supply. Surely, I do not have to tell the President, our greatest exponent of the work ethic, that nothing will attract a laborer and insure his efficient production, so much as the assurance that he will receive a decent salary at the end of his labors. And nothing will alienate him faster and more completely than the demand that he contribute his labors to support a trillion-dollar economy which will, without a doubt, allow his family and himself to exist in a constant state of hunger, in a constant state of physical neglect, with inadequate shelter and insufficient clothing. And this is a man or woman who works 40 hours a week.

How many times a week do you hear yourself asking, "What's in it for me?" What do you suppose the minimum wage earner hears when he asks himself the question, "What's in this society for me?" I'll tell you. He hears a resounding "nothing."

And what loyalty can a man or woman feel to a society which gives him nothing?

The workers of this country will only stand for so much. They are only human; or perhaps I should say "they are human," for we have consistently condemned them to a life which falls below our declared standards for the lowest level of human existence.

It is imperative that we override the Presidential veto of H.R. 7935. It has been factually proven on the floor today that the President's reasons for vetoing are invalid. It has been proven that the provisions of the bill are in accord with the principles upon which this country was founded. And it has been asserted that the working class of this country will be thoroughly justified in revolting against their oppressors, unless they are admitted into the trillion-dollar state of our Union.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware, Mr. DU PONT.

Mr. DU PONT. Mr. Speaker, I urge that we sustain the President's veto on this bill, and I do so for a number of reasons. One is the lack of an effective youth differential. Another is the rapid rise in the minimum wage. But those points have been covered by others.

I would like——

Mr. BURTON. Mr. Speaker, would the gentleman yield?

Mr. DU PONT. I will not yield.

Mr. Speaker, I would like to focus on a point that has not been made, and that is the taking away of exemptions by this bill. The taking away of firemen and policemen's exemptions, for example, which is causing me to get calls from mayors of the cities in Delaware telling me how much money it is going to cost them.

The taking away of exemptions for public employees, which basically has nothing to do with the Federal Government, and ought to be within the jurisdiction of the State and local governments.

The taking away of the exemption for transit workers when the transit industry all across the country is in trouble, as we all know.

So I believe that this bill attempts to do too much, not in the raising of the minimum wage for the people covered, but in the removal of exemptions that are going to cost the State and local governments a lot of money, and the removal of exemptions in areas where the Federal Government has no business in interferring.

Mr. DENT. Mr. Speaker, I yield 2 minutes to the gentleman from California, Mr. BURTON.

Mr. BURTON. Mr. Speaker, I am pleased to inform my colleagues that the gentleman who just spoke in the well is the gentleman from Delaware (Mr. DU PONT)—I think the previous speaker's name is well known throughout the land—if the gentleman from Delaware would explain how the working people have to try to live on $1.80, $2 or $2.20 an hour.

How does Mr. DU PONT suggest that any working man or woman support a family on the current $1.60 an hour minimum wage?

Mr. Speaker, President Nixon's veto must be overriden. He is the only President in American history to be so cruel and vicious as to veto an increase in the minimum wage.

The following communications indicate the vital concern expressed by organized labor on this issue.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

September 12, 1973.

HON. PHILLIP BURTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURTON: The AFL–CIO strongly urges you to vote September 19 to override President Nixon's veto of the minimum wage bill.

In vetoing this long overdue wage increase for the worst-paid workers in America, the President deliberately perpetuated many myths about the working poor. These myths were first propounded by this who have always endeavored to keep workers, the poor, the minorities "in their place."

Frankly, we had hoped for better leadership from the President of the United States than a presidential endorsement of myths which are the well-spring of racial and class prejudice. President Nixon is the first President in history to veto a minimum wage increase.

The President branded a 25% increase in the minimum wage as "too much." The 38 percent increase in food prices—the key item in the budget of every low-income family—since February 1968, the last time the minimums were increased, shows how distorted is the President's reasoning.

Washington supermarket ads for that week, compared to this past week, make the case. In 1968 a loaf of bread cost 17 cents; last week it was 25 cents—a 47 percent increase. A half gallon of milk cost 51 cents then and 66 cents last week—a 28 percent increase. Ten pounds of potatoes cost 39 cents in 1968, $1.29 last week—a 231 percent increase. A dozen eggs went from 45 to 89 cents—a 98 percent increase. Frying chickens went from 26 cents a pound to 59 cents—a 127 percent increase.

We have attached a compendium of the myths endorsed by the President and the facts are reported by the government in its official documents and statistics. We urge you to give it serious consideration.

In view of the preponderence of evidence and statistical data cited in my enclosure, it is obvious that President Nixon has not presented one single factual justification for vetoing the minimum wage increase.

He has made no substantive economic, moral or ethical argument. Rather, he has presented a collection of myths and distortions of fact.

The AFL–CIO, on behalf of millions of working Americans, respectfully urges you to vote to override the veto.

Sincerely,

GEORGE MEANY,
President.

Enclosure.

MYTHS VERSUS FACTS: ANALYSIS OF PRESIDENT NIXON'S VETO MESSAGE ON MINIMUM WAGE

In his veto message to the Congress on minimum wage, President Nixon presented many myths totally unrooted in fact. Following are the myths endorsed by the President and the facts as reported by the government in its official documents and statistics. The AFL–CIO believes the facts add up to compelling proof of the need to override the President's veto.

Myth No. 1.—"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."

The Facts.—Every time the Congress has increased the minimum wage or expanded coverage, the spectre of decreased employment and increased unemployment has been raised. Yet every time the Congress increased the minimum wage or expanded coverage—as a review of the employment—unemployment statistics of the Bureau of Labor Statistics clearly shows—employment increased and unemployment rates declined, with the sole exception of 1967. The trend in nonagricultural employment after each change in the minimum wage since 1949, compared with unemployment trends (seasonally adjusted) for nonagricultural workers in the private sector is shown below:

EMPLOYMENT AND UNEMPLOYMENT
(AVERAGE)

I. Jan. 25, 1950—Minimum wage increased from $.40 to $.75.

1950, 45,222,000 employees; Jan. 1950, 3.3 million unemployed (7.8%).

1951, 47,849,000 employees; Jan. 1951, 1.9 million unemployed (4.3%).

II. Mar. 1, 1956—Minimum wage increased from $.75 to $1.00.

1956, 52,408,000 employees; March 1956, 2.2 million (4.7%).

1957, 52,894,000 employees; March 1957, 2.0 million (4.2%).

III. Sept. 3, 1961—Minimum wage increased from $1.00 to $1.15.

1961, 54,042,000 employees; Sept. 1961, 3.6 million (7.4%).

1962, 55,596,000 employees; Sept. 1962, 3.1 million (6.2%).

IV. Sept. 3, 1963—Minimum wage increased from $1.15 to $1.25.

1963, 56,702,000 employees; Sept. 1963, 3.0 million (5.9%).

1964, 58,331,000 employees; Sept. 1964, 2.7 million (5.3%).

V. Feb. 1, 1967—Minimum wage increased from $1.25 to $1.40.

1967, 65,857,000 employees; Feb. 1967, 2.1 million (3.8%).

1968, 67,915,000 employees; Feb. 1968, 2.2 million (4.0%).

VI. Feb. 1, 1968—Minimum wage increased from $1.40 to $1.60.

1968, 67,915,000 employees; Feb. 1968, 2.2 million (4.0%).

1969, 70,284,000 employees; Feb. 1969, 2.0 million (3.4%).

President Nixon's principal economic advisor, Treasury Secretary George P. Shultz, reported to the Congress in 1970, when he was Secretary of Labor:

"In the retail, services and State and local government sectors—where the minimum wage had its greatest impact in 1969, since only newly covered workers were slated for Federal minimum wage increases—employment rose substantially."

In his veto message, the President has failed to produce one scintilla of evidence that this year's proposed minimum wage increase would have any different effect on employment and unemployment.

Myth No. 2.—"Sharp increases in the minimum wage rate are also inflationary."

The Facts.—The facts simply do not support the President's contention.

In 1949 the minimum wage was increased 87½ percent, from 40¢ to 75¢ an hour, effective January 25, 1950. This "sharp" increase in the minimum wage did not cause inflation. On the contrary, in 1950 the annual inflation rate—as reflected in the Consumer Price Index—was only 1 percent.

The 1955 amendments increased the minimum wage 33.3 percent, to $1.00 an hour, effective March 1, 1956. This "sharp" increase in the minimum wage did not cause inflation. In fact, in 1956 the annual inflation rate was only 1.5 percent.

The minimum wage was increased 15 percent in 1961 to $1.15. The 1961 annual inflation rate was 1.0 percent, but, since the increase went into effect late in the year, the 1962 rate should be considered—it was 1.1 percent. By 1964, when the minimum wage had been increased to $1.25 an hour, the annual inflation rate was only 1.3 percent.

In 1966, the minimum wage was increased to $1.40 effective February 1, 1967. Inflation for that year was 2.9 percent. For 1968, when the minimum wage went to $1.60, inflation shot up 4.2 percent. The then Secretary of Labor W. Willard Wirtz reported to the Congress:

"The increased minimum wage levels set in 1966 have not contributed to the current inflationary spiral to an extent which permits reasonable questioning of their net value in strengthening both the position of low-paid workers in particular and the economy in general."

Thus, when the minimum wage increases were the "sharpest"—to use the President's term—inflation was the most modest. Similarly, the sharper the minimum wage increase, the sharper the decrease in unemployment.

For the President to deny the lowest-paid workers an increase in their minimum wage on the basis it is "inflationary" or would cause unemployment is a shocking distortion of the facts.

Dr. Richard S. Landry, administrative director of the Economic Analysis and Study Group of the Chamber of Commerce, told the Senate Subcommittee on Labor on June 9, 1971:

"We (the Chamber) do not contend, unlike some of the witneses that appeared before you apparently, that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages."

Myth No. 3. "Frequently workers paid more than the minimum gauge their wages relative to it. . . . An increase in the minimum therefore increases their demands for higher wages—in order to maintain their place in the structure of wages."

The Facts. Even a cursory reading of the minimum wage impact studies transmitted to the Congress by the Department of Labor since 1954 proves the fallacy of this statement. This is what the Department has said: "No general upward pressure on the wage structure." "Increases confined to raising wages of those paid less than the new minimum." "Little or no evidence of a bumping effect of the wage increase." "Increases limited almost entirely to the lowest wage brackets."

Myth No. 4. "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."

The Facts. Again, the President has propounded a myth that is in direct contradiction with the facts of what has happened in the past when minimum wage rates were increased.

Witness the following table of annual unemployment rates (underlined years are years and months in which minimum wage increases took effect):

[In percent]

	Teen-agers	Women (over 20)	Minorities (all ages)	65 years and older	
				Male	Female
1949	13.4	5.3	8.9	5.1	3.8
1950 (January)	12.2	5.1	9.0	4.8	3.4
1951	8.2	4.0	5.3	3.5	2.9
1955	11.0	4.4	8.7	4.0	2.3
1956 (March)	11.1	4.2	8.3	3.5	2.3
1957	11.6	4.1	7.9	3.4	3.4
1961 (September)	16.8	6.3	12.4	5.5	3.9
1962	14.7	5.4	10.9	4.6	4.1
1963 (September)	17.2	5.4	10.8	4.5	3.2
1964	16.2	5.2	9.6	4.0	3.4
1966	12.8	3.8	7.3	3.1	2.8
1967 (February)	12.9	4.2	7.4	2.8	2.7
1968 (February)	12.7	3.8	6.7	2.9	2.7
1969	12.2	3.7	6.4	2.2	2.3

Nearly every time the minimum wage was increased, the unemployment rates dropped for the groups of workers specifically cited by the President. The only increases were minor, and, significantly, were reduced the following year. On the basis of the facts, as compiled by the BLS, the President's contention doesn't hold water.

Myth No. 5—"H.R. 7935 would only drive (the teenage unemployment) rate higher."

The Facts—Once again, the President is dealing in fantasy, unsupported by fact. He has made a statement his own Secretary of Labor labeled in 1971 as unsupportable. In his report to the Congress, Secretary Hodgson took note of an exhaustive study of the relationship of minimum wages to youth unemployment—a study, conducted under the auspices of the President's current chief economic advisor—and concluded: "A significant finding was that it was difficult to prove any direct relationship between minimum wages and employment effects on young workers."

There is little need for me to repeat the AFL-CIO's absolute, total and irrevocable opposition to a youth subminimum wage. However, let me make the two observations:

1—According to the BLS employment statistics released the day after the President vetoed the minimum wage bill, less than half of the 16 and 17-year-olds looking for work were seeking full-time work (150,000 vs. 574,000).

2—Of the 1.17 million 16 to 19-year-olds counted as unemployed in August, only 731,000 wanted full-time work. But there were 888,000 unemployed 20 to 24-year-olds seeking full-time employment. If a subminimum wage for teenagers were in effect, these "older" workers would be at a severe disadvantage in competing with teenagers for jobs that pay the minimum wage.

It boggles the mind that government policy should be designed so as to move 16–17 year olds to the front of the hiring line, with 18 and 19-year-olds just behind them, by allowing employers to pay them substandard wages, thus placing a competitive disadvantage on the 20–24 age group as well as on older unemployed workers who are not only more numerous but who are typically seeking full-time work.

Myth No. 6.—Extending minimum wage coverage to domestic household workers "would be a backward step."

The Facts.—It is absolutely incomprehensible to say that paying domestic workers a living wage will somehow hurt them. In truth, the number of domestic workers has declined by one million in the past decade, while the demand has continued to increase. Domestic household work is one of the least attractive fields of employment. The pay is deplorable—31 percent are paid less than 70 cents an hour; nearly 50 percent receive less than $1 an hour. The workers are generally excluded from unemployment and workmen's compensation; they rarely receive such commonly accepted benefits as sick leave and vacations. And, of course, they have no protection against arbitrary actions of their employer.

We believe that if domestic workers were covered by the minimum wage and given protections enjoyed by other workers, that the supply of workers would increase to fill the demand, not the reverse.

Myth No. 7.—By extending coverage to employees in small retail and service establishments "thousands of such establishments would be forced to curtail their growth, lay off employees, or simply close their doors altogether."

The Facts.—The bleak picture painted by the President is completely fallacious. The minimum wage bill he vetoed would simply treat all employees of presently-covered large chains the same, regardless of the size of the particular store in which they work. The extended coverage would not mean closing the "Mom and Pop" corner groceries, because they are not covered by the amendments.

Further, in 1971 Secretary Hodgson said ". . . it is significant that employment in retail trade and services—the industries where the newly covered group is largely concentrated and hence most likely to manifest some impact from the wage increase—faired better than industrial unaffected by the statutory escalation in the minimum wage."

The proposed extension of coverage would protect medimum size shopkeepers, who are covered by the law, from being undercut by retail or service establishments which may be part of multimillion dollar enterprises, yet are exempt from the minimum wage and pay subminimum wages. Thus, the President's veto would protect the largest companies, not the smallest as he would have the Congress believe.

Myth No. 8—"For Federal employees, (minimum wage) coverage is unnecessary—because the wage rates of this entire group already meet the minimum . . ."

The Facts—54,000 federal employees presently covered by the minimum wage currently earn less than $2 an hour; another 10,000 earn less than $2.20 an hour.

Myth No. 9—"Extension of Federal minimum wage and overtime standards to State and local government employees is an unwarranted interference with State prerogatives . . ."

The Facts—The President's contention is similar to one proposed by Charles Alan Wright of Austin, Texas, as attorney for the State of Maryland when Maryland challenged the 1966 extension of minimum wage coverage to employees of state schools and hospitals. In a definitive 6 to 2 decision, the Supreme Court rejected that contention.

OTHER OBJECTIVES

The President states that he would sign a minimum wage increase "which would be consistent with the Nation's economic stabilization objectives. . . ." We submit that the bill he rejected was categorically within the stabilization objectives.

1—The Congress specifically amended the Economic Stabilization Act to exempt from wage controls those workers earning less than $3.50 an hour, correctly recognizing that the poorest paid workers are the victims, not the cause, of inflation.

2—The minimum wage increase voted by the Congress is within the 5.5 percent wage standard of the President's Cost of Living Council. If workers earning the statutory minimum wage had received a 5.5 percent yearly wage increase, then the federal minimum wage would be $2.18 an hour in November 1973 and $2.26 in July 1974.

3—If the federal minimum wage had been increased to account for the inflation so long uncontrolled by this Administration, it would have reached $2.08 an hour in July, 1973. And when the wholesale price increases announced on the day after the President's veto reach the retail level there is no telling how high the minimum wage would have to be to keep pace with declining buying power.

4—The President is ignoring some basic economic facts. In a more than trillion dollar economy, increasing the minimum wage is little more than a drop in the bucket. In fact, if the increase to $2 an hour were to go into effect in October, it would only increase the nation's total wage bill four-tenths of one percent, the U.S. Department of Labor has reported.

In stating that "we cannot allow millions of America's low-income families to become the prime casualties of inflation," the President has missed the point. Low-income families already *are* the Number One victims of inflation. Examine what has happened to the $1.60 minimum wage since it went into effect 5½ years ago.

The Agriculture Department's "economy food plan" for a family of four has increased more than 40 percent, from $21.80 a week at the beginning of 1968 to $30.60 in July of this year.

Put another way, the family of four whose income is no greater than $1.60 an hour must spend 48 percent of its budget for food.

Rents have increased 21.5 percent; public transportation up 38.5 percent; apparel and upkeep up 20.2 percent; medical care up 29.1 percent; Social Security taxes up 33 percent.

In conclusion, the AFL–CIO firmly believes that no one, working full-time, year-round should be forced to rely on welfare for subsistence. Presently, 22 states have higher monthly welfare benefits than the breadwinner for a family of four can earn on the federal minimum wage. A higher minimum wage would permit some of the lowest paid workers, whose income is supplemented by welfare, to go off welfare rolls, thus reducing welfare costs.

DEAR CONGRESSMAN: Enclosed you will find a copy of a resolution adopted by the Industrial Union Department, AFL–CIO Convention, in Atlanta on September 7, 1973. Not only was it adopted unanimously, but with a strong showing of earnest and enthusiastic support on the part of our delegates who represented 56 international unions, with membership totaling more than six million workers.

It is bitterly ironic to learn that President Nixon's minimum wage veto is the *first* in the 35-year history of the Minimum Wage law. And this covers an era involving both Democratic and Republican presidents.

The saddening fact is that it comes at a time when there has never been a greater need for liberalization of the law. Inflation has eaten into the very essence of life for the working poor.

It makes poor sense, indeed if not mockery, that increasing wage levels from $1.60 per hour to $2 and ultimately to $2.20 is inflationary. *Inflationary, to pay enough wages to merely sustain life!* Inflationary, while corporate profits are at the highest level in history!

Further, the suggestion that a youth wage differential will be a spur to more jobs is a mirage. At best, it will not make for more jobs, but morely likely will create the situation in which the young son may be hired at the expense of the father's job.

In the name of common decency and humanity as well as the greater national interest, we urge upon you the overriding of the President's veto. We ask this of Democrats and Republicans alike. Assuring the well-being of millions of workers and their families who reside on the lower rung of our economy is not partisan. The President is terribly wrong and his error should be reversed before it does incalculable damage to the lives of too many Americans.

Thank you for your friendly consideration of this issue.

Sincerely,

I. W. ABEL,
President, Industrial Union Dept., AFL–CIO.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
September 14, 1973.

The Honorable PHILLIP BURTON,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN BURTON: On September 19th, the House will face the issue of overriding President Nixon's veto of the Minimum Wage Bill (H.R. 7935). This veto was a cruel blow to millions of Americans who populate the bottom rung of the economic ladder. I refer not to "Welfare Chiselers," but rather to America's "Working Poor." They number over four million Americans who work every day, but presently earn less than $2.00 an hour.

Anyone who has ever had to earn wages for a living knows full well that the current minimum wage of $1.60 an hour is as unrealistic as it is unfair. The purchasing power of the dollar has eroded some 35% since that increase to $1.60. Indeed, wholesale prices jumped 6.2% last month alone, and grocery prices are easily expected to pass 20% for the year, as you well know.

The Administration defense of this veto is almost visibly shoddy. Only the cost of postage would prevent me from including study after study that have shown that minimum wage laws do not generate unemployment or that youth rate differential is meaningless.

In the course of a Congressional session many pieces of Legislation really are inflationary, or overfunded, poorly drawn or simply unnecessary. This bill is none of these. We urge you to support the veto override of the Minimum Wage Bill.

Sincerely yours,

CHARLES E. NICHOLS,
General Treasurer, Director.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS-WAREHOUSEMEN & HELPERS OF AMERICA,
Washington, D.C., September 17, 1973.

The Honorable PHILLIP BURTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURTON: On behalf of over two million members of the International Brotherhood of Teamsters, I strongly urge your support in passing H.R. 7935, the 1973 Amendments to the Fair Labor Standards Act.

As you know, the President disapproved this measure on September 6, 1973. We believe this action to be in error in two major respects.

First, it is our view that the specter of inflation cannot be used as the basis for disapproving a measure which is specifically designed to rescue millions of workers from the inequities they have already suffered as a result of our current economic situation.

Second, we do not believe H.R. 7935 hurts those who need help the most. This legislation has been developed over the course of three years and Congress arrived at fair and equitable solutions to extremely difficult issues. Thus, extension of minimum wage coverage to domestic household workers, the absence of a "youth differential," and the phasing out of the agricultural processing industry's overtime exemption are excellent examples of viable compromises that should be contained in the law.

In closing, we would again urge your support in securing passage of H.R. 7935. It is of critical importance to the International Brotherhood of Teamsters as well as millions of other members of the nation's work force.

Thank you for your consideration in this matter.

Sincerely yours,

FRANK E. FITZSIMMONS,
General President.

SEIU COMMITTEE ON POLITICAL EDUCATION,
Washington, D.C., September 17, 1973.

DEAR CONGRESSMAN: The working poor of our nation are begging you to vote for the minimum wage bill on Wednesday.

Please vote to override the veto. Give a vote to the poor.

Sincerely,

GEORGE HARDY,
International President.

[From the Washington Post, Sept. 14, 1973]

HOUSE OF REPRESENTATIVES MEMBERS: VOTE TO OVERRIDE THE MINIMUM WAGE VETO—MINORITY GROUP WORKERS NEED YOUR HELP

The facts are well-known: members of minority groups—blacks, the Spanish-speaking—bulk large in the unskilled, low-paid portions of America's work force.

They are among the working poor who most need a more equitable minimum wage.

Nearly half those in domestic service earned less than $1 an hour in the latest survey presented to the Congress by President Nixon's Secretary of Labor. The Minimum Wage Bill veto denies them minimum wage coverage under the Fair Labor Standards Act.

Only two of every five farm workers are presently covered by the federal minimum wage; and those who are covered are guaranteed 30 cents an hour less than non-farm workers. The Minimum Wage Bill veto denies them the right to reach parity with other covered workers.

President Nixon proclaims in his veto message the often disproved myth that a rise in the minimum wage would make it harder for those at the bottom of the economic scale to find jobs. He even goes so far as to propose a different, lower minimum wage for teenagers.

If his logic were correct, he should then propose a lower minimum wage for women or for Vietnam returns—who have a high unemployment rate.

The facts easily contradict the myth. Nearly every time the minimum wage has been increased since World War II, unemployment rates have dropped for teenagers, women, members of minorities, and older workers.

The effect of this veto on minority-group worked incomes is clear. President Nixon's own Department of Commerce reports that blacks constitute 10 percent of the working population—but 17 percent of service workers, 20 percent of laborers, and about 50 percent of private household workers—the very

groups who most need the added purchasing power of a more reasonable minimum wage.

That is why civil rights organizations support the Minimum Wage Bill. That is why the Leadership Conference on Civil Rights asks you to vote to override President Nixon's veto.

The conscience of America demands that the working poor be given an opportunity to earn a decent wage with their labor. Please extend that opportunity by overriding President Nixon's veto of the Minimum Wage Bill.

LEADERSHIP CONFERENCE ON CIVIL RIGHTS.

[Advertisement from the Washington Post, Sept. 15, 1973]

MEMBERS OF CONGRESS: VOTE TO OVERRIDE THE MINIMUM WAGE VETO—YOUNG AMERICANS NEED YOUR HELP

President Nixon claims—despite proof to the contrary—that raising the federal minimum wage would drive the teenage unemployment rate higher.

Young Americans forced to leave school and go to work in their teens are among the working poor who would be most directly benefited by an increase in the federal minimum wage and an extension of its coverage. Contrary to the President's claim, official Bureau of Labor Statistics figures show that unemployment rates for teenagers almost always drop after a rise in the minimum wage rate.

Moreover, President Nixon's own Secretary of Labor took note in 1971 of an exhaustive study that contradicts the President. Former Secretary Hodgson, commenting on the study, said: "A significant finding was that it was difficult to prove any direct relationship between minimum wages and employment effects on young workers."

The Administration also is pushing a proposal to pay a lower minimum wage to job seekers aged 16 to 17. Why should these young workers be forced to work for less than other workers? Why should an employer be encouraged to fire a father so he can save 40 cents an hour by hiring a son or daughter?

These young workers already suffer the disadvantages of inexperience and lack of skills. Many of them gravitate to the lowest-paying jobs available—and are stuck at the bottom of the economic ladder.

If 16-year-olds need a special substandard pay rate because their unemployment rate is high, why not a substandard rate for Vietnam veterans or women, who also have high unemployment rates? The bill that President Nixon vetoed already provides a compromise on pay for part-time student employees at the behest of small business, as well as other compromises.

America's working youth deserves better than this. They want to pay their own way in the world. They need a decent chance at a reasonable wage to do so.

That's why youth organizations support the Minimum Wage Bill. That's why the National Student Lobby urges you to vote to override President Nixon's veto of the Minimum Wage Bill.

NATIONAL STUDENT LOBBY.

[Advertisement from the Washington Post, Sept. 16, 1973]

MEMBERS OF CONGRESS: VOTE TO OVERRIDE THE MINIMUM WAGE VETO—DON'T BE MISLED BY THE "LOST JOBS MYTH"

In his unjust and unjustified veto of the Minimum Wage Bill, President Nixon tries hard to screen the inequity of his action by repeating the oldest myth about the working poor—that raising the minimum wage will harm those who need it most.

He uses the discredited argument of those who oppose paying a decent wage to the hard-working poor—that an increase in the minimum wage will result in lost jobs. Department of Labor statistics clearly contradict the President's statement.

Increasing the minimum wage or expanding its coverage has resulted in higher employment every time since 1949 and declining unemployment in all but one year. Even more to the point, teenagers, women, minority group members and the elderly—those who most need increased income to obtain the bare necessities of life—showed a drop in unemployment rates nearly every time the minimum wage increased.

In fact, Treasury Secretary Shultz, President Nixon's chief economic advisor, told the Congress three years ago, when he was Secretary of Labor:

"In the retail, services and state and local government sectors—where the minimum wage had its greatest impact in 1969—employment rose substantially."

In a time of unprecedented rises in the price of food . . . in a time when a family of four existing on the minimum wage must use almost half its income on food . . . at a time when the cost of the necessities of life continually increases, the American conscience must demand justice for its lowest paid workers.

There are rational, moral, economic or ethical justifications for increasing the minimum wage especially since 22 states pay more in welfare each month for a family of four than a father or mother can earn by working full time at the federally guaranteed minimum wage.

That is why organized labor strongly urges you to vote your conscience and the conscience of America—vote to override the Minimum Wage Bill veto. We believe in the dignity of labor—as do all the millions of poor Americans who struggle to feed, shelter, and clothe themselves on a totally inadequate minimum wage.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS.

[Advertisement From the Washington Post, Sept. 17, 1973]

MEMBERS OF CONGRESS: VOTE TO OVERRIDE THE MINIMUM WAGE VETO—UNDERPAID WORKERS NEED YOUR HELP

Many of the men and women who process the food we produce can't earn enough to provide decent, nourishing meals for their families.

It is intolerable that in an affluent twentieth century society there should remain exploited laboring groups in any type of industry, required to work long hours for less than a subsistence wage. With giant Agribusiness employers earning 15 percent, 20 percent and even more in profits, there can be no excuse for their workers and their families to lack sufficient income to provide adequate nutrition, shelter, health care and the basic essentials of life.

For example, the Minimum Wage Bill vetoed by President Nixon would have corrected certain injustices to workers in some food processing industries. It would have phased out the overtime exemptions for processors of fruits, vegetables and some other foods by Jan. 1, 1977. It would have given a first partial overtime protection to sugar processing workers.

Two of President Nixon's Secretaries of Labor have supported this type of action.

Former Labor Secretary George P. Shultz (still a favorite advisor of President Nixon) and present Labor Secretary Peter J. Brennan argued in favor of modifying these overtime exemptions as no longer necessary. Secretary Shultz noted that automation and other technical advances have reduced the possibility of spoilage, the major excuse for the original exemptions in the law.

The undersigned organizations urge Members of Congress to override the President's veto of the Minimum Wage Bill. Simple justice demands that all workers, whether they be in manufacturing, in service industries or in any type of work—who contribute so much to our national standard of living—be given a chance to enjoy a decent standard of living for themselves and their families. They do not want welfare. They should be paid fairly for their services.

THE NATIONAL FARMERS ORGANIZATION.
THE NATIONAL FARMERS UNION.

Hon. PHILLIP BURTON,
Rayburn House Office Building,
Washington, D.C.:

The International Chemical Workers Union, 110,000 members strong, urges you to vote yes to override President Nixon's veto of the minimum wage bill. Thousands of America's working poor need Federal legislation to help them out of the low wage/high price crunch. Your support will be appreciated.

THOMAS E. BOYLE,
President.
FRANK D. MARTINO,
Secretary-Treasurer.

Hon. PHILLIP BURTON,
House Office Building,
Washington, D.C.:

The International Brotherhood of Electrical Workers with its 950,000 members is very much concerned about the long awaited increase in the minimum wage for the lowest paid workers in America. We strongly supported this legislation and were very upset by President Nixon's veto.

We strongly support the position of the AFL-CIO as stated in their letter to you on September 12, 1973 and urge you to vote to override President Nixon's veto of the minimum wage bill.

Sincerely yours,

JOSEPH D. KEENAN,
International Secretary.
CHARLES H. PILLARD,
International President, IBEW.

INTERNATIONAL UNION OF ELECTRICAL, RADIO, AND MACHINE WORKERS,

September 17, 1973.

DEAR REPRESENTATIVE: The International Union of Electrical, Radio and Machine Workers (IUE) urges you to support the effort to override President Nixon's veto of the minimum wage bill. This action is desperately needed by millions of your fellow citizens who are the working poor of this country.

There has been no increase in the federal minimum wage for 5½ years and the present minimum of $1.60 an hour for most covered workers is totally inadequate. The present level forces thousands of American citizens onto the welfare rolls and, tragically, some into crime. In human and economic terms, these costs alone are far higher than we as a nation can afford.

It is a fact that nearly every increase in the minimum wage since World War II has been followed by reduced unemployment for teenagers, minority groups, older people and women. These are the Americans who need help the most and it is tragic for our country to force them to continue to bear this unfair burden while others reap the profits.

Those at the bottom of our economic ladder have waited far too long for relief. The current shocking inflation hits these people hardest. They must not be asked to wait any longer. We, as a nation, simply cannot afford to turn away from them.

As you know, the minimum wage bill passed the Senate 62–28 and the House 253–152. It is clear that a substantial majority of Americans favor this measure, as written.

IUE strongly urges you to support overriding the veto when this issue comes before the House of Representatives.

With best wishes,

Sincerely,

PAUL JENNINGS, *President.*

PHILLIP BURTON,
The House of Representatives,
Washington, D.C.:

DEAR CONGRESSMAN BURTON: Equity and decency demand an increase in the minimum wage for the poorest paid.

On behalf of the more than 250 members of the American Federation of State, County, an Municipal Employees, AFL–CIO, in your district, I urge you to vote to override the President's veto of the minimum wage bill.

Many of the public employees will be direct beneficiaries of the bill's overtime pay provisions. I know they are counting on your support, as I am.

JERRY WURF,
International President, American Federation of State, County, and Municipal Employees.

Hon. PHILLIP BURTON,
House Office Building,
Washington, D.C.

The American Postal Workers Union strongly urges you to vote on September 15 to override President Nixon's veto of the minimum wage bill. The President called the 25 percent proposed increase in the minimum wage bill as "too high". The 38 percent increase in food prices—the key item in the budget of every low income family—since February, 1968, the last time the minimums were increased, shows how completely unrealistic is the President's reasoning. The American Postal Workers Union on behalf of millions of working Americans and their families respectfully urges you to vote to override.

FRANCIS S. FILBEY,
General President, American Postal Workers Union, Washington, D.C.

[From San Francisco (Calif.) Chronicle, Sept. 11, 1973]

JUD JOAD WANTS A MINIMUM WAGE

(By Arthur Hoppe)

"Good News, Maude!" cried Jud Joad as he shuffled up the dirt road from Appalachia Corners to his ramshackle cabin. "The President's done struck a mighty blow against high prices."

Maude appeared on the porch, wiping her hands on her flour sack apron, eagerness in her old eyes. "Does that mean I can get me my gingham curtains, Jud?" she asked. "They gone to $8.98 in the catalogue, but if'n they come down to like, say, $1.98, do you reckon I could . . ."

"Now it ain't going to happen overnight, Maude," said Jud, sinking in his rocker. "Them big spenders in Congress, see, voted to raise the minimum wage to $2 an hour . . ."

"Two whole dollars!" said Maude with awe. "Why, you could earn me them curtains in an hour, Jud, if'n you had a job."

"Now hold on there, Maude. What the President done, see, was to veto those there big spenders in Congress. Like he said, we all got to fight inflation. And if we had to pay folks $2 an hour to make gingham curtains, you never would be about to afford 'em. Don't that make sense?"

"I reckon," said Maude with a sigh as her thin shoulders sagged. "Tell me, Jud, what's the maximum wage these here days?"

"Truth to tell, I don't rightly know," said Jud, frowning. "It never did concern me much. Why you asking, Maude?"

"Well, I was just wondering," said Maude thoughtfully, "if the President done lowered it, too, that's all."

"Now why for would the President want to do a thing like that?" asked Jud, surprised.

"Well, now," said Maude, "if'n keeping the minimum wage low is going to make prices go down, stands to reason that lowering the maximum wage would do likewise."

"Well . . ." said Jud dubiously.

"The President, he must make the maximum wage," said Maude, pressing her point. "Why, if I was a betting woman, I'd bet my bonnet he must make leastwise $10 an hour. Not that I'm saying for a minute, he ain't worth it. But if'n he could see his way clear to taking maybe $8 and giving you $2, none's the harm."

"I don't know, Maude," said Jud, scratching his elbow. "The President says if'n folks had to pay me $2 an hour, they couldn't afford it. So I'd be out a job, if'n I had one to be out of. See? He's fighting unemployment for us, too."

"Then if he took only $8, he'd be helping hisself keep his own job," said Maude triumphantly. "If he lowers the maximum wage, a passel of rich folks'd find jobs, too."

Jud shook his head. "He can't afford it, Maude. He's got parties to give and airplanes and limousines and yachts to keep going and half a dozen houses to fix up . . . No, sir, when it comes to fighting poverty and unemployment, you got to leave it up to rich folks like the President, who knows what it's all about."

"I reckon you're right, Jud," said Maude. "But it don't seem fair somehow."

"Now, don't fret, Maude," said Jud, reaching over to take her hand. "When it comes to fighting poverty and unemployment, Presidents always got to draw the line somewhere."

"I know," said Maude. "But how come they always draw it at us? How come I got to give up my gingham curtains and the rich folks don't have to give up their yachts?"

"That's on account of Presidents want to be fair to everybody in this great land of ours, Maude, and we ought to count our blessings," said Jud firmly. "After all, it's a dang site easier to give up a pair of gingham curtains than a fine big yacht."

Mr. DENT. Mr. Speaker, I yield two minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, the administration's rationale as to what is inflationary and what is not is about as consistent as their support for the Vice President.

On the one hand, personal luxuries such as swimming pool heaters and gazebos are in the national interest. Wheat deals in which a select few reap windfall profits are in the national interest. The remodeling of the Presidential aircraft solely to satisfy someone's decorating designs is, by all means, in the national interest. Maintaining seaside villas at all points of the globe, at public expense of course, is, again, in the national interest.

But, when it comes to helping the poorest of the poor earn a subsistence wage, we are bombarded with cries of inflation. When it comes to helping those who need our help the most, the Congress is accused of feeding the fires of inflation.

When it comes to helping the casualties of the administration's economic game plans, we are charged with attempting to create a fresh surge of inflation.

In the past, the administration has been eager to release the public's reaction to proposed or completed actions. Today, where are the administration's polls? Where are all the letters and calls in support of the veto?

The President says that raising the minimum wage from $1.60 an hour—or $3,320 annually—to $2.20 an hour—or $4,576 a year—would "allow millions of America's low income families to become the prime casualties of inflation." He says it would "penalize the very people who need help most." The bill would "cause unemployment."

Mr. Speaker, the people I talk to appreciate the President's concern, but are prepared to become "casualties," and will accept the "penalty" of an increased minimum wage, as they feel it is in the national interest.

I urge my colleagues to stand by the workers of this country and give them this increase in the minimum wage by voting to override the President's veto.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY of Ohio. Mr. Speaker, I rise to speak in support of the minimum wage bill passed by Congress, and to strongly urge my colleagues to vote to override the President's ill-advised veto.

By stating that his veto of the minimum wage bill is necessary to control inflation, President Nixon is placing the heaviest burden for controlling inflation on the backs of the poor. Congress cannot, in good conscience, allow this to happen.

This minimum wage bill, which was vetoed by the President, would increase the wages of approximately 3.8 million workers—fewer than 1 out of every 20 employed Americans—from the present $1.60 an hour to $2 an hour in November, and $2.20 an hour in July 1974. It would increase the Nation's total wages by only four-tenths of 1 percent.

Under the current minimum wage, a person working 40 hours a week and 52 weeks a year earns an annual income of $3,320. The current poverty level for a family of four, as defined by the U.S. Department of Labor, is $4,300. Even at $2.20 an hour, a family of four probably still will be living below the poverty level by next July.

Taking into account the increase in the cost of living since the last minimum wage bill now before the Congress is inadequate. If Congress only wanted to maintain the same minimum wage rate as in 1967, we would have to increase the minimum wage to $2.32 immediately, rather than $2.20 by next July.

Mr. Speaker, the people who are opposing this increase in the minimum wage rate are the same people who have opposed food stamps for the poor and welfare benefits for the poor. They cannot have it both ways. They must choose between a decent, fair, and reasonable minimum wage on the one hand, or a substantial increase in the number of people on welfare on the other. People cannot be expected to work 40 hours a week for a meager $64, when they can receive approximately the same amount of money on welfare without working.

Of all the bills vetoed by President Nixon to date, most of them good, sound legislation which the Congress deliberated on for many months, the President's veto of this minimum wage bill is by far the most unjustified.

Mr. Speaker, there are many Americans who work full time, but are living in poverty. The only time their wages are increased is when Congress raises the minimum wage. I urge my colleagues to be compassionate toward these working Americans and their families. Let us show poor people who are trying to help them-

selves that we care by overriding the President's veto of the minimum wage bill.

Mr. QUIE. Mr. Speaker, may I inquire how much time does each side have remaining?

The SPEAKER. The gentleman from Minnesota has 7 minutes remaining, and the gentleman from Pennsylvania has 19½ minutes.

Mr. QUIE. Could we use some more of the gentleman's time?

Mr. DENT. I expect to yield to myself the balance of my time.

Mr. QUIE. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. ARENDS).

Mr. ARENDS. Mr. Speaker, I trust that no one in this House will for one moment believe that anyone on this side of the aisle is anti-labor. We are not. I would hate to have that impression gotten out.

I am reminded of what happened during the time of the passage of the Taft-Hartley bill. But few Members are here today who were Members on that occasion. Twice in the history of my service in this Congress we have been deluged by mail, once at the time of the Supreme Court packing proposal back in the Roosevelt days, and the second time on the occasion of the passage and our override of the Taft-Hartley Act. On that occasion, believe me, the mail carriers were going down the halls delivering mailbags full of mail to an extent unprecedented. People were truly concerned and I mean concerned.

The Taft-Hartley bill was passed. President Truman vetoed it. The House then overrode the veto. The end result was that we did labor a favor, and it is so recognized by the laboring man today. Some labor leaders were disappointed but not the rank and file of labor.

I trust no one is going to feel that those of us who vote to support the President today in sustaining his veto are anti-labor. We are not.

Mr. DENT. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Speaker, I simply rise to take exception to the statement of my distinguished friend, the minority whip, the gentleman from Illinois, that organized labor is so happy with this so-called Taft-Hartley Act. As a matter of fact, it is not, and it has really no right to be. There are sections of that act that have been terribly inhibiting on the American working people. I think a discussion of that vis-a-vis the minimum wage is irrelevant.

I hope the consideration due the American people will be given them and that this veto will be overriden.

Mr. DENT. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding.

I just was reading a report on the ticker that:

The Indian Government proposes tentatively to accept a settlement of its $3 billion debt to the United States for $100 million in cash and $900 million to be spent on U.S. operations in Indiana and aid to neighboring countries.

In other words, it would be a $2 billion giveaway by the U.S. Government. Is this not inflationary? How can anyone vote to sustain the President's veto and condone this?

Mr. DENT. Mr. Speaker, I yield to the gentlewoman from New York (Ms. ABZUG) such time as she may consume.

Ms. ABZUG. Mr. Speaker, I support the overriding of this veto.

Mr. Speaker, in his minimum wage veto message, President Nixon returned H.R. 7935, calling for balance and moderation and asking Congress to enact a compromise minimum wage bill. Who do we compromise? The very lowest paid workers among us, whom we wish to sacrifice against an inflation generated by big business and the administration itself. How dare we ask those earning $4,000 or less to tighten their belts "in the national interest."

Who do we compromise? Women who are socially and economically desperate—women over 50, the single, divorced or widowed, minority women and women with limited education who have raised families and kept house, and women who are domestic workers? It is inconceivable to me that including one and a half million domestics, living far below the national poverty line, could be labeled "a backward step." What sort of perverse economic reasoning could justify inflicting further hardship on those Americans who, for so long have been locked in the cycle of poverty and despair?

Who do we compromise? The youth of this country whom we deny equal pay for equal work and whom we pit against adult workers, reminiscent of child labor undercutting the employment of mothers and fathers?

Who do we compromise? Those who receive the lowest pay in the Federal scale and have had their wages frozen for 6 years while prices, interest rates and the cost of living have exploded by almost 30 percent? Has any thought been given to these hard working Americans, without whom the Government would soon come to a screeching halt?

No my dear colleagues, it is you who will vote to sustain the veto who compromise yourselves by blindly following the seat of power against the interests of the ordinary American.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I rise in opposition to the veto.

Mr. Speaker, I urge my colleagues to override this tragic veto.

Mr. Nixon's veto message indicated that by advancing the minimum wage, Congress promotes additional unemployment and inflation. Here is a man who for 5 years has wreaked incredible economic havoc and caused an era of unprecedented high unemployment and high inflation. With the cancer of Nixonomics all too visible, how dare this administration lecture anyone on economic policy.

This is one more example of the outrageous priorities of this administration. In the 7 years since the present minimum wage went into effect, the cost of living has reached the highest level in this Nation's history. Those persons working full time at the present minimum wage, now find themselves below the poverty level set by the administration's own Department of Labor.

The Nixon veto also means nonextension of minimum benefits to workers involved in domestic service and agriculture. This blatant inequity has nothing to do with inflation and unemployment, as Mr. Nixon has claimed; the executive branch's own statistics prove this.

Overriding the veto and extending minimum wage benefits to these groups means simply that this Congress will not support an administratively mandated policy of economic genocide being practiced on the poor and unpowerful. Fellow Members, again I urge you to repudiate this veto.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I rise in opposition to the veto.

Mr. Speaker, thank you for giving me the opportunity to state the reasons why I believe my colleagues in the House of Representatives should vote to override Mr. Nixon's veto of the Fair Labor Standards Act of 1973.

At the present time, 8 million people are working at or near the minimum wage level, earning only $64 for a 40-hour week. Further, there are over 16 million poor who, under the present law, are not even included in the minimal protection offered by the minimum wage. Therefore, as a result of the huge increases in the cost of living, it has become more profitable for these workers to quit their jobs and go onto the welfare rolls for their financial benefits would be much higher. The additional cost to the taxpayers, however, would be immense.

And yet, the President states that this bill, which would still leave a large majority of these workers earning less than the designated poverty threshold, is inflationary and would cause massive unemployment. I have been unable to find any facts to justify his assumptions. Instead, if the present minimum wage level is maintained, I fear that there will be massive unemployment and a sharp increase in the welfare rolls. How can we expect a man to work long hours at a grueling job only to earn less than his neighbor who is on relief? How can we say to these people who have been the hardest hit by the skyrocketing cost of living that we cannot grant such an increase because it would be inflationary, a statement which contradicts all statistical reports which have been issued?

Over the past several years there has been a great deal of emphasis placed on devising plans to get people off the welfare rolls. President Nixon has committed his administration to finding a solution to this grave problem. And yet, when he is presented with legislation designed to make it more profitable to work than to be on welfare, Mr. Nixon vetoes such legislation for reasons which cannot even be substantiated by reports issued from

his own Cabinet. Any student of the U.S. economy could only be impressed by the boosts which past raises in the minimum wage have given to our economy.

The President has continually vetoed legislation designed to improve the lives of the poor, the elderly, the sick and the young on the basis that such legislation was inflationary. Yet at the same time, the President has attacked Congress for not acting swiftly enough on legislation designed to greatly increase the already overblown defense budget, increases which greatly exceed the total of those requested by legislation previously vetoed as inflationary. We are told that it is more important that we have missiles than food to feed the hungry, jobs for the unemployed, and health care for the sick and elderly.

It is up to Congress to insure that the American people do not continue to suffer from an administration which ignores their needs and desires. I urge you, therefore, to join with me in vetoing to override President Nixon's veto of the minimum wage bill.

For your further information, I am submitting an analysis of President Nixon's veto message compiled by the International Leather Goods, Plastics and Novelty Workers Union. I feel certain that after studying this analysis, you will believe it to be unnecessary and cruel to sustain Mr. Nixon's veto of this important and much needed legislation.

The material follows:

MYTHS VERSUS FACTS: AN ANALYSIS OF PRESIDENT NIXON'S VETO MESSAGE ON MINIMUM WAGE

In his veto message to the Congress on minimum wage, President Nixon presented many myths totally unrooted in fact. Following are the myths endorsed by the President and the facts as reported by the government in its official documents and statistics. The AFL–CIO believes the facts add up to compelling proof of the need to override the President's veto.

Myth No. 1—"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."

The Facts—Every time the Congress has increased the minimum wage or expanded coverage, the spectre of decreased employment and increased unemployment has been raised. Yet every time the Congress increased the minimum wage or expanded coverage—as a review of the employment-unemployment statistics of the Bureau of Labor Statistics clearly shows—employment increased and unemployment rates declined, with the sole exception of 1967. The trend in nonagricultural employment after each change in the minimum wage since 1949, compared with unemployment trends (seasonally adjusted) for nonagricultural workers in the private sector is shown below:

EMPLOYMENT AND UNEMPLOYMENT (AVERAGE)

I. Jan. 25, 1950, Minimum wage increased from $.40 to $.75:

1950, 45,222,000 employees; Jan. 1950, 3.3 million unemployed (7.8%).

1951, 47,849,000 employees; Jan. 1951, 1.9 million unemployed (4.3%).

II. Mar. 1, 1956, Minimum wage increased from $.75 to $1.00:

1956, 52,408,000 employees; March 1956, 2.2 million (4.7%).

1957, 52,894,000 employees; March 1957, 2.0 million (4.2%).

III. Sept. 3, 1961, Minimum wage increased from $1.00 to $1.15:

1961, 54,042,000 employees; Sept. 1961, 3.6 million (7.4%).

1962, 55,596,000 employees; Sept. 1962, 3.1 million (6.2%).

IV. Sept. 3, 1963, Minimum wage increased from $1.15 to $1.25:

1963, 56,702,000 employees; Sept. 1963, 3.0 million (5.9%).

1964, 58,331,000 employees; Sept. 1964, 2.7 million (5.3%).

V. Feb. 1, 1967, Minimum wage increased from $1.25 to $1.40:

1967, 65,857,000 employees; Feb. 1967, 2.1 million (3.8%).

1968, 67,915,000 employees; Feb. 1968, 2.2 million (4.0%).

VI. Feb. 1, 1968, Minimum wage increased from $1.40 to $1.60:

1968, 67,915,000 employees; Feb. 1968, 2.2 million (4.0%).

1969, 70,284,000 employees; Feb. 1969, 2.0 million (3.4%).

President Nixon's principal economic advisor, Treasury Secretary George P. Shultz, reported to the Congress in 1970, when he was Secretary of Labor:

"In the retail, services and State and local government sectors—where the minimum wage had its greatest impact in 1969, since only newly covered workers were slated for Federal minimum wage increases—employment rose substantially." (Emphasis added.)

In his veto message, the President has failed to produce one scintilla of evidence that this year's proposed minimum * * *.

Myth No. 2—"Sharp increases in the minimum wage rate are also inflationary."

The Facts—The facts simply do not support the President's contention.

In 1949 the minimum wage was increased 87½ percent, from 40¢ to 75¢ an hour, effective January 25, 1950. This "sharp" increase in the minimum wage did not cause inflation. On the contrary, in 1950 the annual inflation rate—as reflected in the Consumer Price Index—was only 1 percent.

The 1955 amendments increased the minimum wage 33.3 percent, to $1.00 an hour, effective March 1, 1956. This "sharp" increase in the minimum wage did not cause inflation. In fact, in 1956 the annual inflation rate was only 1.5 percent.

The minimum wage was increased 15 percent in 1961 to $1.15. The 1961 annual inflation rate was 1.0 percent, but, since the increase went into effect late in the year, the 1962 rate should be considered—it was 1.1 percent. By 1964, when the minimum wage had been increased to $1.25 an hour, the annual inflation rate was only 1.3 percent.

In 1966, the minimum wage was increased to $1.40 effective February 1, 1967. Inflation for that year was 2.9 percent. For 1968, when the minimum wage went to $1.60, inflation shot up 4.2 percent. The then Secretary of Labor W. Willard Wirtz reported to the Congress:

"The increased minimum wage levels set in 1966 have not contributed to the current inflationary spiral to an extent which permits reasonable questioning of their net value in strengthening both the position of low-paid workers in particular and the economy in general."

Thus, when the minimum wage increases were the "sharpest"—to use the President's term—inflation was the most modest. Similarly, the sharper the minimum wage increase, the sharper the decrease in unemployment.

For the President to deny the lowest-paid workers an increase in their minimum wage on the basis it is "inflationary" or would cause unemployment is a shocking distortion of the facts.

Dr. Richard S. Landry, administrative director of the Economic Analysis and Study Group of the Chamber of Commerce, told the Senate Subcommittee on Labor on June 9, 1971:

"We (the Chamber) do not contend, unlike some of the witnesses that appeared before you apparently, that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages."

Myth No. 3.—"Frequently workers paid more than the minimum gauge their wages relative to it. . . . An increase in the minimum therefore increases their demands for higher wages—in order to maintain their place in the structure of wages."

The Facts.—Even a cursory reading of the minimum wage impact studies transmitted to the Congress by the Department of Labor since 1954 proves the fallacy of this statement. This is what the Department has said: "No general upward pressure on the wage structure." "Increases confined to raising wages of those paid less than the new minimum." "Little or no evidence of a bumping effect of the wage increase." "Increases limited almost entirely to the lowest wage brackets."

Myth No. 4.—"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."

The Facts.—Again, the President has propounded a myth that is in direct contradiction with the facts of what has happened in the past when minimum wage rates were increased.

Witness the following table of annual employment rates (underlined years are years and months in which minimum wage increases took effect):

[In percent]

	Women Teenagers	(over 20)	Minor- (all ages)	65 yrs. and older Male	Female
1949	13.4	5.3	8.9	5.1	3.8
1950 (January)	12.2	5.1	9.0	4.8	3.4
1951	8.2	4.0	5.3	3.5	2.9
1955	11.0	4.4	8.7	4.0	2.3
1956 (March)	11.1	4.2	8.3	3.5	2.3
1957	11.6	4.1	7.9	3.4	3.4
1961 (September)	16.8	6.3	12.4	5.5	3.9
1962	14.7	5.4	10.9	4.6	4.1
1963 (September)	17.2	5.4	10.8	4.5	3.2
1964	16.2	5.2	9.6	4.0	3.4
1966	12.8	3.8	7.3	3.1	2.8
1967 (February)	12.9	4.2	7.4	2.8	2.7
1968 (February)	12.7	3.8	6.7	2.9	2.7
1969	12.2	3.7	6.4	2.2	2.3

Nearly every time the minimum wage was increased, the unemployment rates dropped for the groups of workers specifically cited by the President. The only increases were minor, and, significantly, were reduced the following year. On the basis of the facts, as compiled by the BLS, the President's contention doesn't hold water.

Myth No. 5—"H.R. 7935 would only drive (the teenage unemployment) rate higher."

The Facts—Once again, the President is dealing in fantasy, unsupported by fact. He has made a statement his own Secretary of Labor labeled in 1971 as unsupportable. In his report to the Congress, Secretary Hodgson took note of an exhaustive study of the relationship of minimum wages to youth unemployment—a study, conducted under the auspices of the President's current chief economic advisor—and concluded: "A significant finding was that it was difficult to prove any direct relationship between minimum wages and employment effects on young workers."

There is little need for me to repeat the AFL–CIO's absolute, total and irrevocable op-

position to a youth subminimum wage. However, let me make the two observations:

1—According to the BLS employment statistics released the day after the President vetoed the minimum wage bill, less than half of the 16 and 17-year-olds looking for work were seeking full-time work (250,000 vs. 574,000).

2—Of the 1.17 million 16 to 19-year-olds counted as unemployed in August, only 731,000 wanted full-time work. But there were 888,000 unemployed 20 to 24-year-olds seeking full-time employment. If a subminimum wage for teenagers were in effect, these "older" workers would be at a severe disadvantage in competing with teenagers for jobs that pay the minimum wage.

It boggles the mind that government policy should be designed so as to move 16–17 year olds to the front of the hiring line with 18 and 19-year-olds just behind them, by allowing employers to pay them substandard wages, thus placing a competitive disadvantage on the 20–24 age group as well as on older unemployed workers who are not only more numerous but who are typically seeking full-time work.

Myth No. 6—Extending minimum wage coverage to domestic household workers "would be a backward step."

The Facts—It is absolutely incomprehensible to say that paying domestic workers a living wage will somehow hurt them. In truth, the number of domestic workers has declined by one million in the past decade, while the demand has continued to increase. Domestic household work is one of the least attractive fields of employment. The pay is deplorable—31 percent are paid less than 70 cents an hour; nearly 50 percent receive less than $1 an hour. The workers are generally excluded from unemployment and workmen's compensation; they rarely receive such commonly accepted benefits as sick leave and vacations. And, of course, they have no protection against arbitrary actions of their employer.

We believe that if domestic workers were covered by the minimum wage and given protections enjoyed by other workers, that the supply of workers would increase to fill the demand, not the reverse.

Myth No. 7—By extending coverage to employees in small retail and service establishments "thousands of such establishments would be forced to curtail their growth, lay off employees, or simply close their doors altogether."

The Facts—The bleak picture painted by the President is completely fallacious. The minimum wage bill he vetoed would simply treat all employees of presently-covered large chains the same, regardless of the size of the particular store in which they work. The extended coverage would not mean closing the "Mom and Pop" corner groceries, because they are not covered by the amendments.

Further, in 1971 Secretary Hodgson said ". . . it is significant that employment in retail trade and services—the industries where the newly covered group is largely concentrated and hence most likely to manifest some impact from the wage increase—fared better than industries unaffected by the statutory escalation in the minimum wage."

The proposed extension of coverage would protect medium size shopkeepers, who are covered by the law, from being undercut by retail or service establishments which may be part of multimillion dollar enterprises, yet are exempt from the minimum wage and pay subminimum wages. Thus, the President's veto would protect the largest companies, not the smallest as he would have the Congress believe.

Myth No. 8—"For Federal employees, (minimum wage) coverage is unnecessary—because the wage rates of this entire group already meet the minimum . . ."

The Facts—54,000 federal employees presently covered by the minimum wage currently earn less than $2 an hour; another 10,000 earn less than $2.20 an hour.

Myth No. 9—"Extension of Federal minimum wage and overtime standards to State and local government employees is an unwarranted interference with State prerogatives . . ."

The Facts—The President's contention is similar to one proposed by Charles Alan Wright of Austin, Texas, as attorney for the State of Maryland when Maryland challenged the 1966 extension of minimum wage coverage to employees of state schools and hospitals. In a definitive 6 to 2 decision, the Supreme Court rejected that contention.

OTHER OBSERVATIONS

The President states that he would sign a minimum wage increase "which would be consistent with the Nation's economic stabilization objectives . . ." We submit that the bill he rejected was categorically within the stabilization objectives.

1—The Congress specifically amended the Economic Stabilization Act to exempt from wage controls those workers earning less than $3.50 an hour, correctly recognizing that the poorest paid workers are the victims, not the cause, of inflation.

2—The minimum wage increase voted by the Congress is within the 5.5 percent wage standard of the President's Cost of Living Council. If workers earning the statutory minimum wage had received a 5.5 percent yearly wage increase, then the federal minimum wage would be $2.18 an hour in November 1973 and $2.26 in July 1974.

3—If the federal minimum wage had been increased to account for the inflation so long uncontrolled by this Administration, it would have reached $2.08 an hour in July, 1973. And when the wholesale price increases announced on the day after the President's veto reach the retail level there is no telling how high the minimum wage would have to be to keep pace with declining buying power.

4—The President is ignoring some basic economic facts. In a more than trillion dollar economy, increasing the minimum wage is little more than a drop in the bucket. In fact, if the increase to $2 an hour were to go into effect in October, it would only increase the nation's total wage bill four-tenths of one percent, the U.S. Department of Labor has reported.

In stating that "we cannot allow millions of America's low-income families to become the prime casualties of inflation," the President has missed the point. Low-income families already *are* the Number One victims of inflation. Examine what has happened to the $1.60 minimum wage since it went into effect 5½ years ago.

The Agriculture Department's "economy food plan" for a family of four has increased more than 40 percent, from $21.80 a week at the beginning of 1968 to $30.60 in July of this year. Put another way, the family of four whose income is no greater than $1.60 an hour must spend 48 percent of its budget for food.

Rents have increased 21.5 percent; public transportation up 38.5 percent; apparel and upkeep up 20.2 percent; medical care up 29.1 percent; Social Security taxes up 33 percent.

In conclusion, the AFL–CIO firmly believes that no one, working full-time, year-round should be forced to rely on welfare for subsistence. Presently, 22 states have higher monthly welfare benefits than the breadwinner for a family of four can earn on the federal minimum wage. A higher minimum wage would permit some of the lowest paid workers, whose income is supplemented by welfare, to go off welfare rolls, thus reducing welfare costs.

Mr. DENT. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BIAGGI), a member of the committee.

Mr. BIAGGI. Mr. Speaker, as a member of the Education and Labor Committee and as a person acutely aware of the hardships imposed on our working poor by the ravages of inflation, I cannot, in good conscience, vote to sustain the President's veto of the minimum wage bill. More important, I urge my colleagues to consider the serious implications of the President's action and the impact it will have on millions of those in our society who have elected to work for a living even if their wages are substandard.

I cannot understand the rationale used by the President when he vetoed the minimum wage, and more confusing are the reasons he gave us for doing so. In my judgment, the President's veto, and a vote to sustain that veto by this body, if we so decide, represent a callous disregard for the economic well-being of low- earners in our country.

The President's claim that the bill would be inflationary and would create unemployment is a rash judgment founded on nonexistent facts.

Unemployment is certainly one of the more serious problems of our Nation. We all deplore its existence and we all want to do something to bring down the rate of joblessness as much as possible. However, unemployment should be attacked with sound and effective programs such as manpower development and training, job-creating programs, and an overall economic plan that assures steady overall economic growth and expansion.

Unemployment, above all, should not be a war cry against the earning potential of workers who now receive less than the officially set poverty level of $4,275—a rate which, at this moment, is already too low as the cost of basic living items has surged in the past year since that figure was formulated.

And, although the $4,275 level is 1 year old, it is a level even the $2 minimum wage rate set for 1973 in the bill passed by Congress will not achieve.

Mr. Speaker, the claim that our minimum wage bill would cause unemployment is further in doubt when we examine the employment data for each year after minimum wage increases were enacted in the past.

In every year after enactment of a minimum wage rate increase, that is, in 1949–50, 1956–57, *1961–1962*, and 1966–67, unemployment did not rise but in fact went down in all but 1 year, 1956, when it stabilized.

The second problem, and the most crucial, is inflation. It is a problem for most Americans and indeed for peoples of almost every developed country of the world. Congress and the administration must continue to take bold and direct actions to fight rapidly rising prices. However, the working poor of America should not be made undeserving victims of national policy to fight inflation. Anti-inflation programs should concentrate on those elements of our industrial society which contribute most to galloping inflation. Runaway prices, excessive rates of profit under a loosely administered economic stabilization program,

and high wages and salaries in certain concentrated industries should be targets of national policy rather than the subsistence—or less than subsistence—wages of the working poor.

Mr. Speaker, the price decisions of the Cost of Living Council have added billions of dollars to the economic flow in this and last year. Yet, by the administration's own computation, the vetoed minimum wage bill would add only 0.4 percent to the 1973 wage bill of the 53 million workers covered under the provisions of our bill.

Even more convincing of the noninflationary aspects of the bill would be an examination of the impact the bill would have on the total economy in 1973. In terms of national personal income, the minimum wage bill would add only $1.6 billion to the more than $1 trillion—yes, $1,000 billion—in total personal income generated in our economy in July 1973.

If we were to take into account the overtime effects of the bill and the so-called ripple effect the impact on our economy of the 1973 increases mandated by the bill would be so infinitesimally small that it would hardly be noticed much less be considered an inflationary force in today's otherwise violent economy.

The claim that the minimum wage increase is excessive is also spurious. Under the bill, the largest increase for most workers occurs in the first phase. It raises the $1.60 rate to $2 an hour for those covered under the law prior to 1966—a 1-year increase of 25 percent. Over the total time period stipulated in the bill, the increase amounts to 37.5 percent.

Yet, these increases, although large, would go to only a very small part of the civilian labor force. The increase would actually be enjoyed by less than the 5 percent of the 85 million employee workers in our Nation—workers who are now earning a wage below the rates proposed in the bill.

And, while the increases seem high, it must be noted that the Consumer Price Index has increased by more than 35 percent since the last Fair Labor Standards Amendments were enacted in 1966. Mr. Speaker, the ironic situation is obvious: Increases mandated by our bill—and vetoed by the President—have already been canceled out by the upward movement of prices occurring during the last 6 or 7 years—a period in which no major changes in minimum wages were enacted except those carried over from the 1966 law.

Mr. Speaker, I would like to add one more point to my plea to override. And that is the provision of our bill dealing with government employees. The arguments in favor of this provision are so obvious—in terms of justice and equality under the law that I will not repeat them. But I must single out the provision of the bill dealing with fire protection and law enforcement personnel of States and their political subdivisions. Congress has seen fit to include them in both the overtime and minimum wage coverage of the law in our 1973 amendments. And there should be no argument against this decision. However, Congress has gone a step further and has recognized the uniqueness of the work these men perform and the unusual work scheduling involved in thier duties. The special overtime computation provision providing for a 28-day work period for overtime compensation purposes was included specifically in recognition of the scheduling problems of police and fire personnel. Yet, one fact is often overlooked. That is, the bill before us provides that a prior agreement must be reached between Government employers and employees before such an extended overtime computation procedure is implemented.

Mr. Speaker, fire and police personnel will be given a voice, finally, in determining some small portion of their working conditions—a democratic principal guaranteed by our labor laws to so many other workers in the private sector and one which I would like to see extended to our police and fire forces.

Mr. Speaker, in closing, let me state that to deny low-wage workers a minimum wage which is not even high enough to meet cost-of-living increases; to deny them a wage which does not meet the Government's poverty level; or to deny them a minimum wage which does not meet the increases granted to other workers through administrative and bargaining procedures, is a moral disgrace that must be avoided. We can take the first step in that direction today by overriding the President's veto of the Fair Labor Standards Act Amendments of 1973.

Mr. QUIE. Mr. Speaker, I yield 5½ minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, I will vote against overriding President Nixon's veto of H.R. 7935, the minimum wage bill and I urge my colleagues to do likewise.

First, I believe we ought to sustain the veto because the bill would raise the minimum wage not too high but too fast. This bill provides a 60-cent increase in 9 months. This is an inflationary burden our economy cannot stand.

Second, the bill is also imprudent in its expansion of coverage to 6 million additional workers including employees of State and local governments and domestic workers. The State and local governments have enough budgetary and tax problems without our adding to them. The provision in regard to the domestic workers would promise much but because it is unenforceable it would deliver little except fewer jobs to those who need them badly.

Third, by removing the overtime exemption including those in seasonal industries, the bill would be a disruptive force involving working conditions which have evolved over the years and proven reasonably satisfactory.

Fourth, the bill lacks a youth differential which would be effective and which would allow youth in effect to serve a brief apprenticeship while they are learning the facts of working life.

A youth differential would help reduce the unemployment statistics where they are the highest. Fifth, if we compel employers to pay 60 cents an hour more to the lowest paid workers, we will compel workers making $2.50 or $3 or $4 to demand proportionate wage increases. This is the so-called ripple effect.

By arguing that we ought to sustain this veto, I do not mean to advocate that we do not pass the minimum wage bill. The opposite is true. I am for a minimum wage bill and President Nixon is for a minimum wage bill.

We could have had a minimum wage bill, and a good one, a year ago except that some of the people on the other side were stubborn. From the beginning, they have remained adamant and have been unwilling to compromise, even though the basic procedure of a legislature is to compromise. If we had passed that bill last year, $1.80 would have gone into effect; this year it would be $2; next year it would be $2.20, the same level that is in the bill before us vetoed by the President.

Why did we not get a bill last year? They say, "Oh, the Republicans killed it." The one thing we asked for was an honest conference. We said, "If you will send conferees to that conference to adjust the differences between the House and Senate instead of sending conferees there who are already committed to selling out the House position and let it go and write the bill," but compromise was not their way of thinking.

How can I say that is true? How can I guess what they would have done? What did they do this year? Exactly what would have happened last year, had the House not prohibited a loaded conference to take place. The gentleman from Pennsylvania together with myself in the Rules Committee agreed with the gentleman from Hawaii to put in a provision to take care of the pineapple growers. That was to extend minimum wage differential for youngsters so that they could be utilized as pineapple workers. When this was suggested that it be taken out of the bill in conference, the gentleman from Minnesota offered an amendment to protect the gentleman from Hawaii (Mr. MATSUNAGA). The people on the other side of the aisle voted to take out the provision Mr. DENT had agreed to put in the bill, so the gentleman from Hawaii does not have what was agreed to.

The House passed by a very large margin an amendment offered by the gentlewoman from Oregon (Mrs. GREEN). Did the conferees on the other side try to sustain the House position? They did not. They just could not wait to get to the conference to sell out the position of the House and deny to the gentlewoman from Oregon the amendment this House had adopted; one of the very few amendments that were adopted to the bill.

Mr. Speaker, we have a great deal of demagoguery which goes on concerning the minimum wage. I submit that for many it is more of a political issue than

it is really feeling sorry for those who are subject to minimum wage. What they wanted was an election issue, and they were so happy when that bill did not get passed last year. They told us, "We will elect 40 more and pass the bill we want next year."

The Members will hear the same thing from the gentleman from Pennsylvania (Mr. DENT) today, he is going to say he will not even allow our committee to bring up another bill. Every week on this floor of this House from now until November of next year, I am going to call on him to report a minimum wage bill out of that committee.

We need a minimum wage increase and we are going to get a minimum wage increase, and the gentleman from Pennsylvania (Mr. DENT) will not be allowed to stop that.

Mr. DENT. Mr. Speaker, I yield to the gentleman from New York (Mr. REID).

Mr. REID. Mr. Speaker, I urge my colleagues to vote to override the veto, a veto which would not even allow millions of Americans to earn $4,000 which is below the poverty level and thousands of dollars below the minimum living standard budget.

I would point out, Mr. Speaker, to those who argue that increasing the minimum wage would be inflationary, that inflation has climbed 38 percent since the last minimum wage increase, a full 5 years ago, in 1968. The bitter irony is that this same minimum wage earner must exist on earnings which even under the vetoed bill do not bring his gross earnings to the poverty level of $4,200 net income. I simply cannot believe that it is inflationary to pay enough wages merely to sustain life, and I sincerely hope that the members of the House will not be lured into this type of "straw man" argument.

Furthermore, I cannot agree with the administration position that we must provide a "youth differential," refusing to pay the minimum wage for those under 18. I believe, on the contrary, that we must pay equal wages for equal work, and that it is blatantly unfair and unjust to pay a 40-year old twice as much as an 18-year old when both are doing the same job with the same level of competence.

Legislation to increase the minimum wage has been trying to wend its way through the Congress for 3 years. Now a reasonable increase has been passed, and for the first time in the 35-year history of the minimum wage law, it has been vetoed. I urge my colleagues to vote to override this veto, in the name of common decency and humanity as well as the greater national interest.

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

Mr. MADDEN. Mr. Speaker, I urge the Congress to override the unfortunate veto of the long delayed legislation which would call for a moderate increase for the lowest paid segment of our population. It has been 6 years since the millions of our hourly paid workers received even a moderate assist in combating the most devastating inflation and rise in the cost of living in the history of our Nation.

The present $1.60 an hour, under today's high cost of food, housing, rents, interest, clothing, education, hospital and health care, and so forth, does not begin to cover the expense of individual wage earners much less wage earners with a wife and children to support.

On March 2, 1972, 19 months ago, when I was chairman of the Democratic Steering Committee, that committee, made up of 26 members representing all geographical regions of the Nation, unanimously passed the following resolution:

Whereas it has been six years since Congress acted to increase the minimum wage or broaden its coverage, and

Whereas the cost of living has increased 16 percent since the Nixon administration took office, and

Whereas the present minimum wage results in family income below the poverty line, and

Whereas raising the minimum wage and broadening its coverage will, by increasing consumer purchasing power, bolster the national economy without promoting inflation, be it

Resolved by the Democratic Steering Committee, That all Democratic Members of the House are urged to support and vote for H.R. 7130, the Fair Labor Standards Amendments of 1971.

Last year White House opposition helped defeat a minimum wage increase.

Mr. Speaker, since that resolution was passed, the cost of living has increased almost 38 percent from what it was in March 1972. Millions of hourly wage earners are carrying the greatest burden of this devastating inflation.

Our Nation learned a lesson back in the 1920's when the Government neglected the wage earner and unemployment became rampant because of low wages and lack of buying power. This led to the closing of factories and businesses, and resulted in the 5-year depression of the 1930's.

If this veto is overridden, protection of the law will be extended to an additional 6 million Federal, State, local, and domestic workers. It also will bring overtime coverage to millions of Americans now denied the benefits of premium pay for long hours of toil.

The buying power of workers on $1.60 an hour has now dwindled to approximately $1.19 an hour.

Mr. Speaker, I plead today with the Members of the Congress, especially those who represent rural areas, to override this ill-advised veto which the President has sent back to the Congress. During the August recess I spent a few days in the great grain-producing States of Minnesota and Iowa and saw miles and miles of the greatest crop of wheat and grain, which I was advised will exceed any harvest in modern times.

One year ago, the market for wheat was around $1.50 a bushel; and today the farmers are jubilant with the price of wheat ranging between $4.50 and $5 a bushel. Our rural friends should bear in mind that approximately 71 percent of the population of this Nation reside in the urban area, where the cost of living hits the workers with a blast on every paycheck. I hope the Representatives of the farming districts do not forget the almost $3.5 billion subsidy which the Federal Government has been distributing annually to a big percentage of American farmers.

As has been testified here on the floor of the House during the discussion on the annual agricultural budget over the years, some of the large farm operations were receiving this annual bonanza in six figures.

During the August recess, every Member of Congress, including myself, representing urban areas received an avalanche of protests against vetoes and Presidential impoundments which have practically paralyzed the low-income worker, especially those with families, who are struggling to survive financially and educate their children.

Of course, we all recall the vetoes which the President sent down during his first 4 years in office, especially concerning hospitals, health care, education, and so forth. During recent months, and especially beginning with his second term last January, the President has started a procession of vetoes and impoundments which has superseded and defied the Congress to a greater degree than at any time in the history of our Nation.

During this year the Congress has considered and enacted more legislation during its first 7 months than any Congress in history. I think it is well for the Members to be reminded today, when we are considering the Presidential veto on minimum wage, of some of the real facts of the activity of this Congress.

Mr. Speaker, the fact is, Congress has been handicapped with vetoes and impoundments of major legislation during this 93d Congress as recorded in the following rundown:

CONGRESSIONAL ACTION—JANUARY 1973 TO PRESENT

Continuing Federal funding for rural water and sewer systems—Vetoed.

Vocational Rehabilitation Act—Vetoed.

OMB Director's confirmation required—Vetoed.

Emergency medical care bill—Vetoed.

Increasing Federal minimum wage—Vetoed.

Anti-impoundment bill to prevent President from sitting on funds authorized by Congress—Veto threat.

War powers bill—Veto threat.

Housing and community development legislation—Refused to spend money authorized.

Aid to schools—Impoundment.

Environmental legislation, such as water pollution control—Refused to spend money authorized.

During the 92d Congress 1971-72 the President vetoed the following legislation:

H.R. 3600—District of Columbia Police and Fire Department benefits.

S. 575—Applied Regulations and Development Act Amendments.

S. 2007—Economic Opportunity Act.

H.R. 56—Environmental Data Systems.

H.R. 13895—Certified Pay Revisions for Federal Employees.

H.R. 15417 and H.R. 16154—Labor-HEW Appropriations.

H.R. 12674—National Cemeteries Act.
H.R. 14424—National Institute of Aging.
H.R. 15657—Older Americans.
H.R. 13918—Public Broadcasting Corporation.
H.R. 16071—Public Works and Economic Development.
H.R. 15927—Railroad Retirement Annuity Increase.
H.R. 8395—Rehabilitation Amendments.
H.R. 10880—Veterans Medical Act.
S. 3755—Private Relief for Elmer Erickson.
S. 635—Mining and Minerals Policy Act.
S. 4018—Omnibus Rivers and Harbors Construction Act.
S. 2770—Water Quality Standards Act.

During the 91st Congress 1970 2d session, President Nixon vetoed the following:

H.R. 13111—Labor-HEW Appropriations bill.
H.R. 17548—HUD Appropriations bill.
H.R. 11102—Medical Facility Construction and Modernization Act. Hospitals, etc.
H.R. 16916—Education Appropriations bill.
H.R. 17809—Pay Scale for Federal Employees.
S. 3418—Family Medicine.
S. 578—Firefighters and Other Hazardous Occupations.
S. 3867—Manpower Act.
S. 3637—Political Broadcasting Equal Time.

Mr. Speaker, the above listed vetoes by the President do not include his vetoes and impoundments during his first year in office, 1969. In that year, inflation started on its devastating course, with increased interest rates, high food prices, soaring rents, and an uncurbed inflation of all commodities in the market. The building trades reported, at the end of 1969, that the construction of approximately 1 million houses was curtailed in President Nixon's first year in the White House.

In recent months, universities and colleges have been bombarding the Congress on curtailments and impoundments which are denying education to millions of our young high school graduates. The president of Purdue University in Indiana was in Washington before the August recess, visiting the Indiana congressional delegation and protesting, among other things, that all departments in Purdue must be curtailed and three departments would be abolished in the coming year because Purdue's allotment for this year will be approximately $2,400,000 less than in 1972. One of the three departments which would have to be abolished, he related, was the school for nurses.

Mr. Speaker, I mention these facts because the American public has not been sufficiently informed as to the double standard system of economy inflicted on the people by this administration through its refusal to halt the startling profiteering that has been going on through large corporation and conglomerates in the last few years. The newspapers and magazines in July reported that the first 3 months of 1973 the top 20 corporations and industries of this Nation reaped the largest profit of any 3 months in their history, and that the second quarter exceeded the first quarter of 1973.

Not one word has been contained in the President's numerous messages and press conferences regarding aiding the Congress on tax reform and eliminating the numerous depletion allowances, tax credits, unnecessary deductions, and so forth. Economists have estimated that between $15 billion and $20 billion could be brought into the Federal Treasury through the changing of these ridiculous tax loopholes which the powerful corporate interests have succeeded in putting on the Federal statute books over the years.

I mention these facts today because the Members of Congress and the American public should start now to look into the future and protect the millions of wage earners of this country against profiteering, high prices, high taxes, and curb the profiteers, tax dodgers, and special interest groups. The great majority of our 206 million Americans are the victims of this unfair policy of throwing the burden of suffering this inexcusable inflation on the masses least able to support this kind of an high inflation economy.

This unjustified veto should be overridden and classified near the top bracket of his other 38 vetoes since his inauguration in January 1969.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. METCALFE).

Mr. METCALFE. Mr. Speaker, I strongly urge my colleagues to override the President's veto of H.R. 7935, to amend the Fair Labor Standards Act of 1938. Basically, the act provides for: First, raising the minimum wage rate from $1.60 per hour to $2.20 per hour by July 1, 1975; and second, including hitherto uncovered workers, among them domestic workers, and Federal and State and local government employees.

In his veto message, the President cites two major reasons for his action. First, he contends that a minimum wage rate increase and expanded coverage would cause "a significant decrease in employment opportunities for those affected." Second, he claims that such an increase would have an adverse effect on the economy; that the increase would heighten the present inflationary spiral mainly by causing most other workers to increase their wage demands. However, the President in his statement does not present one solid bit of evidence which would support his claims. It is not surprising that the President fails to present such evidence because such evidence, in fact, does not exist. However, very strong evidence does exist which disproves his claims.

As to the specter of increased unemployment, I commend his concern for the plight of this country's worst paid workers. However, statistics and statements of high Government officials indicate that his concern, while admirable, is misplaced. The President claims that the increased rates and expanded coverage will force many employers to cut back jobs and hours. In fact, Bureau of Labor Statistics data shows a contrary trend, that, with the exception of 1967, employment has increased and unemployment decreased when the minimum wage rate was increased or coverage expanded. Furthermore, in 1970, Secretary of the Treasury George P. Shultz, then Secretary of Labor, stated that:

> In the retail, services and State and local government sectors—where the minimum wage had its greatest impact in 1969, since only newly covered workers were slated for Federal minimum wage increases—employment rose substantially.

Further, the President, in his veto message, opposes expanding coverage to domestic workers and Government employees. Again, he does not present any evidence to support his position and, again, there is strong evidence which disproves his position. The President contends that extending coverage to State and local government employees is "an unwarranted interference with State prerogatives." However, a recent Supreme Court decision rejected a similar contention by a vote of 6 to 2. The President further claims that coverage for Federal employees is unnecessary because their wage rates already meet the minimum. Their wage rates may meet the current minimum, but they do not meet the proposed new minimum, 54,000 Federal employees currently earn less than $2.20 per hour. The President further claims that extending coverage to domestic workers "would be a backward step." When one considers that these workers cannot possibly move further back on this country's socioeconomic scale, the President's statement is indeed a callous one. The demand for domestic workers is increasing at a time when there is a shortage of such workers. Although competent domestic help is in high demand, the pay continues to be grossly inadequate. Thirty-one percent of domestic workers are paid less than 70 cents an hour; and nearly 50 percent are paid less than $1 per hour. Sylvia Porter, in her column which appeared in the Washington Star-News of August 26, 1973, states that:

> The median yearly earnings of year-round, full-time domestic workers is less than $1,800.

However, only one in six domestic workers works year-round, full time.

> The typical domestic household worker receives almost no fringe benefits—no paid holidays or vacations, no premium pay for overtime, no health insurance, no year-end bonuses, no pension plan—all of which add, on average, at least 25 cents to each dollar earned by other workers.

I cannot agree with Ms. Porter more than when she states:

> It's difficult to argue that barring these workers from the protection of our wage-hour laws is essential for the economic health of our nation.

Regarding the President's second major reason for vetoing H.R. 7935, once again, his veto message does not contain any solid evidence upon which to base his claim. In fact, two highly responsible spokesmen have disputed the President's contention.

Following the most recent minimum wage rate increase in 1966, then Secretary of Labor W. Willard Wirtz, stated:

The increased minimum wage levels set in 1966 have not contributed to the current inflationary spiral to an extent which permits reasonable questioning of their net value in strengthening both the position of low-paid workers in particular and the economy in general.

Similarly, Dr. Richard S. Landry, administrative director of the economic analysis and study group of the chamber of commerce testified in 1971 that:

We (the Chamber) do not contend . . . that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages.

Sylvia Porter stated my position on this issue quite succinctly when she wrote:

As for inflation, it's vicious reasoning which translates a price spiral resulting from skyrocketing worldwide demands for goods and services into the need to keep a lid on wages and benefits of workers at the very bottom of the financial-social scale.

How dare we ask the very lowest paid workers among us to stand in the first line of defense against an inflation fueled by the borrowing and buying of the affluent?

To fully comprehend the need for an increase in the minimum wage rate, and to also fully comprehend why the President's veto of H.R. 7935 is so deplorable, it is necessary to go beyond the economic arguments and abstractions and talk about the real life situation of those workers presently working for the minimum wage. The fundamental question is: can a family survive on the present minimum wage? The answer, of course, is an unequivocal no.

For a family of four, the Government has defined the poverty level at $4,275 per year. The breadwinner of such a family, if he were being paid the current minimum wage, would be earning nearly $1,000 less than the Government-defined poverty level. To look at the situation from a different perspective, the current minimum wage of $1.60 per hour, which was established in 1966, was worth only $1.19 in real buying power by April 1973. Since 1968, food prices alone have increased 38 percent, meaning that a family of four trying to survive at the current minimum wage must spend 48 percent of its budget on food. Finally, if we look at it from a third perspective, 22 States have higher monthly welfare benefits than the breadwinner for a family of four can earn on the current minimum wage. Increasing the salary of these workers would not only spare some of them the indignity of being forced to accept welfare, but also decrease welfare rolls and save Government money.

It is indeed a sad comment on our society and our ideals that, in this land of plenty, there is a group of hard-working men, women, and young people who are finding it difficult, and in too many cases impossible, to make a decent living. The present administration seems determined to punish them for the economic difficulties which are troubling this country. The economic policy of this administration is consistently inconsistent. Those who would benefit from the increase in the minimum wage should no longer be called upon to bear the brunt of this administration's maladroit handling of the economy. For these reasons, I deeply deplore the President's veto of H.R. 7935, and strongly urge my colleagues to overide the President's veto.

Mr. DENT. Mr. Speaker, I yield myself my remaining time.

Mr. Speaker, I assume this responsibility today without any illusions whatsoever. Leopards do not change their spots. For some reason, parties do not change their principles.

I find it hard to digest when I hear a speaker from the other side protesting in fact how much they support labor. The Taft-Hartley Act was used as an example. It so happens that Taft-Hartley Act that they supported was a Taft-Hartley Act that labor opposed. It was a straitjacket and fettering chains for the workers of America.

Now I hear they are for the minimum wage. My worthy ranking minority Member says he is going to take time every week to call to the attention of the people that JOHN DENT is not for a minimum wage. I cannot swallow that from a man who never voted for a minimum wage in his life. I cannot swallow the tale of those who believe they ought to have a minimum wage increase, but not now.

Mr. Speaker, it has been that way since 1937. Every time a minimum wage bill has come up, it has been argued: "Not now. This is the wrong time. We are escalating too fast."

The gentleman from Illinois, the ranking member of my committee, says that it is a 60-cent raise in 9 months. That is not true. It is a 60-cent raise in 7 years—7 long years. That is how long it has been done.

Mr. Speaker, then we talk about calling to the attention of the people the fact that the Democrats defeated the bill last year.

Did we? Now, really did we?

Mr. Speaker, it was a pocket veto by the House of Representatives. For the first time in my 42 years of legislative service, we were denied the right to try to compromise, and then we are condemned because we did not compromise. The vote prevented us from compromising.

"No apologies are to be made," the Nation magazine says. And what does it say further:

The President, Mr. Nixon, announced he would veto the bill passed by Congress setting the minimum wage at $2.20 an hour, a rate increase of 38 percent.

Mr. Speaker, that is not true. He gives out the fraudulent position that we are immediately increasing 38 percent. To gather in exactly the effect of living costs relating to wage increases given by the President of the United States to the civil servants, we would have had to go to 74.5 percent as an increase right at this moment.

We talk about these workers as if they were something apart from the American population. There is something that belongs somewhere in this position as to why we do not bring this issue out into the open and let the sunlight of truth be shed on the plight and the poverty that these people live in.

The President truthfully said—and let me state that it is the one point that I found to be truthful in his entire statement—as follows:

The minimum wage in most workers has not been adjusted for 6 years. Sponsors of the bill recognize that rising prices have eroded the purchasing power of those who are still paying at the lowest end of the wage scale.

Then, Mr. Speaker, he proceeds to tell us that he does not want to put anything in the bill that is inflationary.

What is "inflationary"? Inflationary for the poor? Inflationary to those who give so much service and receive so little performance?

Right now, at this moment, as of October 1, nearly 3 million civil servants will receive an increase in pay, never having missed one increase since 1967, year in and year out. In the year 1967, they immediately received two increases in 1 year; they received increases in 1968 and 1969. There were two increases in 1 year, 10 percent for the first half of the year, and 5.2 percent for the second half of the year. The minimum wage boys and girls did not get it.

But what is the President going to do at the end of the month? I understand that he is going to increase the pay of workers receiving up to $36,000 a year. He is doing it unashamedly. Apparently there is no inflation there. The lowest income of the Federal worker in the group that will get an increase on October 1 in GS–1 is $6,238.

Yesterday, as I was riding the elevator in this Capitol Building, on this very floor, I spoke to one of the elevator operators. Many of them are teenagers. Their rate of pay is $6,970 a year for 4½ hours a day, 1 hour on Saturday, and 4½ hours every eighth Sunday. They are going to get an increase in pay to $7,300, and we approve it.

Yet, today's youngsters, most of them youngsters—I am not condemning the fact that they are getting it, but I cannot resolve in my mind what kind of conscience a man has that says a 20-cent rate of pay increase for the great majority of the workers in this country is wrong. It will be 20 cents. Less than 100,000 workers will receive 40 cents in the entire 18 million manufacturing work force, and of 52 million service, professional, and clerical work force in the United States, less than 100,000 will receive 40 cents an hour.

Do not talk about inflation. Here is the inflation charge. It is spelled out for you, if you wish to know.

Let me give you the inflation. Here is where the inflation is, in the lean and hungry bellies of the large families in this country that have to live on $1.60 an hour.

Let me see what the National Consumer League says.

This is what you ought to be reading, not these fraudulent messages based on fraud and not one ounce of truth in them. There is the statement in this message that cannot be borne out by the record; the statement on youth is a deliberate misrepresentation. Every youngster in this country, every teenager that wants to work can get a teenager's release, down to even 25 cents an hour, if the Secretary feels it is proper.

But I am not going to—at this stage in my life, after 42 years in public service in a legislative body, I am not going to start in motion to undo what it took 42 years to do in the work market, in the factories and in the mills and mines of this country with the youth.

I know. I started to work part time at the age of 7 and full time at the age of 12. Why? Because my father was a common laborer and could not earn enough to feed a family of 10. So no member of my family even got to go to high school.

What are they talking about, creating a situation that puts the poor families into a position where they have children who have to go to work in the factories at the age of 13? That is what the youth amendment is that the President wants, at the age of 13 or 14.

Well, whom will it hit? Those whom you are shedding crocodile tears over, the poor blacks. They are the ones that will go into the mills and shops of the country at a subminimum wage.

I am ashamed to serve in a body that would consider that as a legitimate and valid point to veto this bill.

I served with some great men in my time and some great men in this House, but I cannot conceive in my mind how any of you, no matter where you come form, what district you come from, or what your conditions of life may be, how you can ask this Congress to bring forth a bill that will put youth back into the dim, dark ages of the slave shop and the runaway-by-night-child-labor places, where there are millions of our young sons and daughters of the immigrants that made this country what it is and the blacks that came up from the South into the lofts in the textile industry dying from consumption before they were 40 years of age, into the coal mines at the age of 7, like I went myself.

A former Republican Governor of Pennsylvania was elected because it was in those days when labor was prominent and strong and he was a Republican. He started to work in the coal fields in anthracite at the age of 5, and he worked his heart out as Governor to put Pennsylvania's first anti-child-labor law on the law books. You are not emulating that man. You are not following in his footsteps. You are following in the narrow, very narrow and dark roadway of those who would exploit our young people.

Here I have before me—I do not use this stuff, but here I have before me a petition, an effort by the Student Council of the United States of America, begging this House not to put them in a secondary position in the labor market.

We have in this country 4,905,000 kids getting help from loans and grants in our education.

What did we do in this Congress? We made it possible for youngsters going to school and trying to help themselves, teenagers, college kids—and universities are so necessary—to work 20 hours a week while they are in school.

I ask you, any of you, fathers and mothers or guardians of children, would you want a young person to work more than 20 hours a week and still try to keep up his educational attainments? I do not think it can be done.

It has been said that this is the main issue today. When a youngster can work full time, 40 hours a week, he has to make a decision at some time, and that is whether he is going to be a 40-hour-a-week worker in a mill or a factory, or in a shop, or whether he is going to try to get an education.

This will wipe out 2 million-odd jobs that have been given under that provision of this act to students who are working their way through college, students who are working their way through high school, yes—and why will this occur? Because it will displace that fellow for 20 cents an hour less with a full-time dropout.

This Congress has voted billions of dollars in an effort to have youth camps, in an effort to have aid through the various OEO package deals trying to lift out of the poverty crowd, the permanent poverty crowd, the dropouts from our schools, and yet what are we doing today? Actually, and seriously, mind you, in the minds of a great number of the Members here—and I suffer from no illusion, I am a practical, hard-headed person, but I just want to say that I cannot believe that in this day and age of so-called enlightenment that we are behind even our neighboring country of Mexico. Mexico's minimum wage comes up for an automatic review 4 months from the 1st day of August, and on the 1st day of August the Mexican congressional deputies got together and they not only advanced that step 4 months, but they increased it. Why? Because—and this is a maximum and minimum wage, this one single little wage—because it could not sustain the worker.

Any Member in this room who is under any illusion whatsoever that I am going to bring out any kind of legislation that does not meet the responsibility of this Congress, should fall asleep on that idea because I will not, if I have to leave the Congress of the United States, I will not bring out a bill that puts our youth back into the mines, the mills, and the shops of this country of ours.

The SPEAKER. The time of the gentleman has expired.

Mr. PRITCHARD. Mr. Speaker, one of the most important pieces of legislation to be considered during this session of Congress, the minimum wage bill, was vetoed by the President. I supported the original minimum wage bill (H.R. 7935), as reported by the Committee on Education and Labor, for several compelling reasons. For these same reasons, I cannot vote to sustain the President's veto of this important measure.

It has been 7 years since the last time Congress amended the Fair Labor Standards Act to increase the minimum wage. The major changes that have taken place in the economy justify, I believe, a reconsideration of the level of minimum wage rates. The Consumer Price Index has risen 31 percent since the act was last amended. An increase in the minimum wage to $2.10 would just restore its 1966 purchasing power, if it were effective immediately. With a continuation of current rates of inflation, the administration's substitute bill, which would have established a $2.10 minimum in 2 years, would never restore the 1966 purchasing power. The vetoed bill, with a $2.20 minimum in 1 year, just would. The assumption is that the 1966 real value of the minimum wage is the appropriate benchmark.

A second approach toward setting minimum wage rates would restore the relationship between minimum and average wages prevailing at the time the act was last amended. The assumption is that the 1966 ratio is the appropriate one. Average hourly earnings in manufacturing have risen from $2.72 in 1966 to $3.99 in January 1973, or 47 percent. Average hourly earnings in the total nonagricultural private economy have risen 48 percent during the same period, from $2.56 to $3.39. Thus, an increase in the minimum wage somewhat greater than that indicated by the Consumer Price Index—to $2.35 and hour—would be required to restore the 1966 relationship between minimum and average wages.

The stated purpose of the Fair Labor Standards Act is to maintain a minimum standard of living necessary for health, efficiency, and general well-being of workers. Trends in the cost of living imply trends in the poverty line, which has come to be regarded as a third approach for setting minimum wages. The vetoed bill's provision of $2 an hour will still leave the low-wage worker below the Government-defined "poverty level" of $4,400 per year for a nonfarm family of four, assuming he works 40 hours a week for a full 52 weeks in the year. Not until 1 year after enactment would the increase to $2.20 an hour meet the poverty-level standard—if prices do not rise sharply during the interim.

As many of my colleagues know, wage rates are so low in some States that workers at the bottom end of the pay scale are better off to go on welfare. I believe this is bad for the worker, and bad for society. A sensible minimum wage level is essential to keeping these people on the job, and off the welfare rolls.

Mr. FRENZEL. Mr. Speaker, I intend to vote to sustain the President's veto of the Fair Labor Standards Act for reasons which are terribly important the people of my district.

I voted for the original House-passed bill, However, I cannot support the bill as amended by the Senate and agreed to by the Conference committee before the August recess. I voted against accepting the conference report.

My concern is with the provisions added by the Senate to extend overtime coverage to police and fire personnel. If these provisions were to take effect, it

would be disastrous for municipalities in my district.

As most Members know, the House passed this bill with an overtime exemption for police and firefighters. The Senate was greedy, however, and added this mischievous amendment. It is a complicated 5 year plan which would require overtime pay for time in excess of 196 hours for each of 13 28 day work-periods for the first year. The maximum number of regular pay hours is reduced annually for 5 years so that by the fifth year, overtime must be paid for all time in excess of 160 hours per 28 day work period.

In my district, firefighters work 24 hours on duty, with 48 hours off. In each 28 day period, they work 228 hours. In the first year, each firefighter would accumulate at least 32 hours of overtime per 28 day work-period. Although Labor Department regulations allow sleep time on 24 hours shifts to be deducted, the frequent interruptions of nighttime firecalls would cause this exemption to be lost.

During the August recess, I met with city officials in my district and discussed the potential costs of these overtime coverage provisions. The figures they showed me confirm that communities will be in trouble. The cost over the next 5 years for my district alone will be well into the millions of dollars.

St. Louis Park, a city of over 50,000 in my district, estimates that with normal annual cost-of-living wage increases and annual pension payments, the additional cost of maintaining the present level of service with 24 hour shifts would be approximately three-quarters of a million dollars over the next 5 years, providing they do not expand service.

If the city decided to switch to an 8 hour day, and wished to maintain the present quality of fire protection, it would have to hire more firefighters at an additional cost over 5 years of 1.9 million dollars. Their 1978 fire service personnel expenses would be 111 percent higher under this type of plan than under present situation.

The city of Edina indicates that without the overtime provisions, its 1974 personnel cost of $277,741 would rise to $344,350 by 1978. If the city had to pay overtime on the basis of the 24 hour shift scheduling, 1974 costs of $367,026 would rise to $562,529 by 1978. And if they went the route of 8-hour shifts and more firemen, their 1974 cost would be $405,155 and would rise to $643,699 by 1978, an 86 percent increase over the cost without any overtime at all.

In the city of Minneapolis it is reported that under these provisions, by 1978 they could be saddled with personnel costs approximately 5.5 million dollars more than under present pay regulations.

Mr. Speaker, if these communities are to pay such increased costs, then they would have to raise taxes significantly. Unfortunately, in Minnesota the State legislature imposed a strict tax-levy limitation on municipalities.

These cities which are already bumping up against their levy ceilings would not be able to increase taxes, and their only alternative would be to cut service. If first service cannot be sacrificed, then it would have to be playground maintenance or snow removal. Regardless, the choices are nearly impossible.

None of these cities have yet made determinations of what they will do if this legislation is enacted. It should be obvious that the problems will be immense.

An unfortunate sidelight to this dilemma is that the firefighters themselves are uncertain over these provisions and if cities decide to convert to the 8-hour day scheduling, firemen might lose their 48 hour "weekends" and the second jobs which they hold, as well as extended and frequent leisure time.

In summary, Mr. Speaker, it should be apparent that the existence of these overtime provisions will cause considerable problems for many cities which presently offer their taxpayers fire protection or hope to in the near future. These cities which are forced to cut back service will find that their citizens are paying higher fire insurance rates, too.

The veto should be upheld.

Mr. KASTENMEIER. Mr. Speaker, twice in the last week we have been called upon to face the challenge of meeting the needs of the people of this country. Last week this House faced that challenge and was found wanting. One week ago this body chose to deny the assistance that might have saved thousands of lives each year. We economized at the expense of human lives.

Today, we have an opportunity to guarantee to the lowest paid workers in this country the means of providing for the basic necessities of life. Will we tell those individuals for whom the "American Dream" has become the "impossible dream" that we simply cannot afford to guarantee them the minimum standard of living necessary for health and general well-being?

This is what the President would have us do. There is a tragic irony about one man, with a salary of $200,000 a year, three homes, and huge tax writeoffs, telling those who earn only $64 a week that we cannot afford to bring them above the poverty level. And, that tragedy is compounded if we sustain his judgment.

Who among us could live on the $64 a week the current minimuum wage pays a full-time worker? For that matter, who among us could live on the $88 a week proposed in the vetoed bill? Have we so lost touch with the needs of those who have been hurt the hardest by the rampant inflation that we would deny them a subsistence wage?

Mr. Speaker, the President says that this bill is inflationary. The facts simply do not bear out this contention. A study of previous increases in the minimum wage shows that when the minimum wage increases were the sharpest, inflation was the most modest. The Chamber of Commerce has said that "Inflation is not caused by minimum wages." The President's own former Secretary of Labor, Hodgson, stated in 1971 that:

> It is doubtful that changes in the minimum had any substantial impact on wage, price or employment trends.

Sylvia Porter, in a recent column, made perhaps the best argument against this reasoning when she said:

> How dare we ask the very lowest paid workers among us to stand in the first line of defense against an inflation fueled by the buying and borrowing of the affluent?

If we dare, our vision has been clouded and our consciences most certainly have ceased to respond.

The President says that this bill will cause unemployment, most particularly among those already facing the highest unemployment rates. How, then, does he explain the fact that nearly every time the minimum wage was increased, the unemployment rates dropped for teenagers, women and minorities, the very groups which have the highest unemployment rate? This is the same President who has vetoed several bills to create jobs which would have benefited these groups of people.

Mr. Speaker, about one-quarter of the poor and more than 30 percent of the children growing up in poverty are in families headed by a full-time worker whose wages are so low that his or her family is impoverished. The average yearly wage of a migrant farmworker in 1972 was $1,830; of a hired farmworker, $3,170; of a full-time domestic worker, about $1,200. How long can we expect them to believe in the "work ethic" if we continue to deny them subsistence wages? How dare we ask these people to sacrifice for the "national good" when at the same time we permit corporate profits to reach record levels. When do we start asking the monied interests to sacrifice for the "national good?"

In his new state of the Union message, the President said that he was adamantly opposed to further cuts in defense spending and would veto any bill that might "imperil our national security." But, national security means more than weapons and submarines. It also means providing for the well-being of our citizens. When is the President going to make that same commitment to individual security—to human security? I, for one, am weary of having to explain why we vote billions for bombs, but only pennies for human needs. I am tired of hearing the President and this Congress tell the most disadvantaged people in this country to wait a little longer for their due. They have already waited too long.

The President's own favorite football coach has a motto: "The time is now." The time for us to act is now. We can do no less for the powerless and voiceless people of this country than override this veto.

Mr. SHRIVER. Mr. Speaker, while I am today voting to sustain the President's veto of H.R. 7935, the Fair Labor Standards Amendments of 1973, it is essential that we quickly act to approve an appropriate increase in minimum wage rates.

Inflation has substantially reduced the purchasing power of the minimum wage rates established by the 1966 amendments.

On June 6, 1973, when this legislation was first considered in the House, I supported the bipartisan substitute offered

by our colleague from Illinois (Mr. ERLENBORN) and when it was defeated I still felt that the House measure offered necessary and responsible increases for those affected by this legislation.

However, the measure as passed by the other body and the final version which came from conference, in my opinion, threatened job opportunities for many low wage earners and placed a very heavy burden upon small businessmen and farmers. I could not support the conference report, and believe it would be best to start anew with a compromise bill.

There is little question that a rapid rise in the minimum wage would be harmful to small businessmen and farmers. An increase in the minimum wage to $2.20 per hour, at this time, may very well cause small businessmen to eliminate minimal positions rather than pay the higher rate for low-skilled workers.

Another important deficiency in this legislation is that it denies thousands of students and teenage workers the employment opportunities they need because the youth differential provision was eliminated by the conference committee.

There also is an added financial burden upon local governments through a prescribed extension of Federal minimum wage and overtime standards which represent an unwarranted interference with local and State prerogratives and responsibilities.

These are a few of my objections to this legislation. However, I wish to reemphasize my support for an immediate increase in the minimum wage that will be in keeping with our efforts to achieve full employment and price stability.

Mr. HARRINGTON. Mr. Speaker, I rise to urge my colleagues to override the President's veto of H.R. 7935, the Fair Labor Standards Act amendments.

The bill provides for an increase in the Federal minimum wage from the present $1.60 an hour to $2.20 an hour according to a graduated schedule. Nonagricultural workers would receive an immediate boost in the minimum wage to at least $1.80, and by July, 1976, all would be covered by a minimum wage requirement of at least $2.20.

The legislation is critically important, not only for the increases it provides but for the categories of workers to which it extends minimum wage guarantees for the first time. Public employees, household domestics, agricultural processing workers, and farm workers would be assured livable wages. Congress' action in providing these guarantees to migrant agricultural laborers would be particularly fitting. For the most part, we in Congress have chosen to stand by as a beleaguered and valiant union the United Farm Workers, struggles for its organizational life. This legislation does not fully satisfy what I think justice requires of Congress in helping farm workers, but in bringing these people under the minimum wage, we would at least fulfill a basic objective of Cesar Chavez and the UFW.

The administration vetoed this bill because the President contends it would lead to inflation and unemployment. With regard to the first matter, Congress must not accept a false choice between inflation and inadequate wages. The administration's refusal to cut defense spending, close tax loopholes, and enforce a tough scheme of wage and price controls are genuine causes of inflation against which Congress should move. We can afford to pay domestics $2.20 an hour. We cannot afford to let Repulbic Steel go without paying any corporate income taxes, as it did last year.

The administration's contention that this legislation would lead to unemployment attracts no support from the labor unions who would supposedly be affected. The AFL–CIO, the Amalgamated Meatcutters, and the Leadership Conference on Civil Rights are among the groups whose concern about the fate of the marginally employed leads them to support both the hike in the minimum wage coverage to the additional categories of workers I have mentioned.

Mr. Speaker, I urge the House to override.

Mr. EDWARDS of California. Mr. Speaker, I strongly urge Members of the House to override the President's veto of the minimum wage bill. In his veto message, the President attempted to justify his action, but his justifications simply do not stand up under any close scrutiny of the facts.

First, unemployment would not grow as a result of increasing the minimum wage. This is a fear we hear expressed every time this body debates raising the minimum wage, but never has this fear materialized. Bureau of Labor statistics show that following every such increase in the past, overall employment in the Nation has not declined, but on the contrary, has grown larger. And furthermore, these same statistics show that employment of those workers most affected by any raise in the minimum wage, the elderly, women, minority, and teenage workers, has always increased after these raises.

Second, the extension of coverage to domestics and other workers cannot in any way be viewed as "a backward step." For an urban family of four with one member earning the minimum wage, the family is still nearly $1,000 below the poverty line established by the Federal Government. Current annual incomes for those workers not covered by the minimum wage are even lower and so it is impossible for these people to support themselves and their families.

Third, there is no evidence that inflation would be affected by increasing the minimum wage. Once again, Bureau of Labor statistics reveal that raising the minimum wage has no effect on the rate of inflation. In fact, when these increases have been the greatest, the country has experienced the most modest rates of inflation. If the minimum wage had an automatic cost-of-living escalator, we would see its levels near those established by this bill. And so, this bill just cannot be viewed as inflationary but only as providing an increase in the real purchasing power of covered and newly covered workers, enabling them to keep up with today's rampant inflation.

The President's veto of this bill was a callous act based on false assumptions. I again urge my colleagues to override the veto and insure millions of working Americans a more decent wage.

Mr. FINDLEY. Mr. Speaker, for the last several years, Congress has been considering welfare reform proposals designed to take, or force, people off the welfare rolls and into self-supporting jobs. The minimum wage bill before us today can truly be said to be such a welfare reform bill. More than any new Federal program we might invent to study and deal with the welfare problem, this bill is likely to encourage the poor to get and keep jobs.

It is ironic that our President, who is so genuinely committed to welfare reform and has sincerely tried to get a recalcitrant Democratic Congress to enact his proposals, has seen fit to veto the minimum wage bill before us. I would have thought that this bill might appropriately have been included by the President as one of the major sections of his own welfare reform proposal.

The fact is, if we want "workfare" instead of welfare, we must provide those on welfare with the incentive to get and hold jobs. In Illinois, it is currently more profitable for a family of four to stay on welfare than for the head of the household to take a job at the minimum wage. Cash welfare payments in Illinois for a family of four are $3,456 annually. Food stamps would raise the family's real income to over $4,000. The minimum wage would yield that same family only $3,320. It would be a rare parent who would be willing to sacrifice the income of his family simply for the sake of taking a job.

Illinois is not alone in making welfare more profitable than workfare. In almost half the States of the Union, the combination of welfare payments and food stamps is more than can be earned at the minimum wage. If we are ever to deal with the problem of poverty, this is where we must begin.

In this day, how can anyone reasonably expect a family of four—or even a family of two—to make ends meet on the current minimum wage of only $1.60 per hour?

The argument is made that despite the best of intentions, this is the wrong time to raise the minimum wage to the levels proposed by this bill because such an increase might be inflationary. Yet, those who make that argument also propose to raise the minimum wage substantially. Instead of raising it to $2 now, and $2.20 next July, as the bill before us provides, those who object would raise the minimum wage to $1.90 now, and to $2.30 over the next 3 years. In effect, they would save 10 cents an hour now, but later add an additional 10 cents an hour above the amount required by this bill. I suggest that it is impossible to determine which approach is less inflationary. Surely this is a very weak reed to support a vote against this bill.

In the final analysis, the only substantial objection which can be raised to this bill is its potential effect upon the employment of young people. When the bill was before the House, I voted for an amendment to provide a youth differen-

tial in the minimum wage for the first 6 months of employment. My reason for doing so was to encourage employers to give those under 18 years of age on-the-job training which could lead to rewarding long-term employment. Unfortunately that amendment was not accepted. In my judgment, however, that fact alone does not make the entire bill a mistake.

In my view, this bill is in the best interests of the Nation and in the best interests of those who are on the bottom rung of the economic ladder and least able to defend their own interests. I think it deserves support, and I shall vote to override the veto.

Mr. CULVER. Mr. Speaker, the increases in the Federal minimum wage law proposed by H.R. 7935 are essential if this Nation's workers are to receive an income which keeps pace with the increases in the cost of living. I strongly urge that the Presidential veto of this bill be overridden.

In his veto message, the President asserts that this bill will cause inflation. In fact, it is inflation which has caused this bill. It is the inflationary trends which have occurred in the nearly 6 years since the last change in the minimum wage law which make this bill necessary merely to bring the earnings of the full-time worker in step with present cost-of-living conditions.

No group of wage earners in this country has been victimized as much from our spiraling cost of living as have those who are compensated for their labor at the minimum wage rate. Even the President recognized in his veto message that "rising prices have seriously eroded the purchasing power of those who are still paid at the lowest end of the wage scale." While the minimum wage rate for most workers has been $1.60 an hour since early 1968, the purchasing power of that wage rate has been reduced to well below $1.25 an hour.

The increases in the minimum wage rate proposed by this bill will barely keep pace with these inflationary trends. The cost of living has risen one-third since 1966. To equal this increase, the minimum wage bill would have to be raised to $2.13 an hour immediately. Under the bill, the increase would only be to $2.00 an hour and not until November.

This bill will not even raise the worker's level of income to the poverty threshold level. The Department of Labor defines the poverty threshold for a nonfarm family of 4 as $4,200 in annual net income. Today, a minimum wage earner working 40 hours per week for 50 weeks during the year receives $3,200 in annual gross income. The minimum rate proposed by this bill would provide for a gross income which is still $200 below the net income considered to be the poverty threshold.

Under these circumstances, Mr. Speaker, I submit it is grossly unfair to expect those who are not even entitled to a minimum wage guaranteeing a poverty level income to accept a disproportional share of the hardships caused by inflation. By vetoing this bill, the President is asking our lowest paid workers to sacrifice the most while the administration continues its ineffective attempts to control rising prices.

Furthermore, the President has not made a convincing case for his contention that an increase in the minimum wage would necessarily be inflationary. Neither the views of the U.S. Chamber of Commerce, Secretaries of Labor Hodgson and Shultz, or most responsible economists; nor the policies of the Cost of Living Council support this contention. In fact, many experts feel the current inflation is being caused by excessive demands for goods and services, not by excessive costs of labor. This bill, as has been pointed out by others, would increase the annual wage bill for American workers by less than four-tenths of 1 percent and, in a trillion-dollar-plus economy, this is hardly an inflationary trigger.

The bill requires a wage increase for only 4 million of the Nation's workers. This is only 5 percent of the entire work force. The minimum wage rate would go from its present $1.60 an hour to $2.00 on November 1 and to $2.20 by July 1, 1974, on workers covered before 1966. Nonfarmworkers covered after 1966 would rise in four steps to $2.20 by July 1, 1975. Farmworkers would rise in four steps to $2.20 by July 1, 1976.

In addition, the bill extends minimum-wage coverage to 7 million additional employees, including Government employees, domestic employees, certain employees of conglomerates, retail and service employees of chain stores, and others. The bill seeks to improve the status and dignity of 935,000 domestic workers, most of whom are women, by requiring a $1.80 minimum wage in November and $2.20 by July, 1975. Today, half of all domestic workers earn less than $1 an hour.

Mr. Speaker, our vote to override the President's veto of this minimum wage bill will be as important as any vote cast this session of concern to the Nation's working poor. These low-income workers, who are doing their best, often under conditions of severe hardship, to make a living in our cities, rural areas, and farms during a time of severe inflationary pressure, are not seeking charity; they only ask a decent wage. By providing a firmer floor for low-wage workers, this bill will go a long way toward lifting millions of workers and their families out of poverty and providing them a minimum standard of living. I urge an overwhelming vote to override this tragic veto.

Mrs. GRASSO. Mr. Speaker, the President's veto of the minimum wage bill was a heartless, cynical action at the expense of the poorest workers in the Nation. In effect, those people to whom a few extra pennies an hour would mean the most are the ones who are denied it by this action. Congress, in seeking to lift the minimum wage from $1.60 to $2.20 hourly after a year, only sought to give millions of unskilled people who want to work a chance to keep their heads above the rising waters of inflation. Let it also be noted here that the situation afflicting these poorer workers in terms of inflation was directly brought into being and worsened by the actions and economic policies of this administration.

By allowing this measure to pass, Congress sought to guarantee these people, many of whom actually are supporting families, $88 weekly, which, as we all know, buys precious little in today's marketplace. In all truth, one can only attempt to support a family on $88 weekly. On less than that, there is no hope of doing so at all, which in turn removes any remaining incentive to persevere from the minds and motives of millions of working Americans.

Using the argument, as the President did, that the veto was to prevent inflation, only rubs salt into the wounds of those reduced to near acute want as a direct result of this administration's failure to stabilize prices.

Certainly America's employers are not hurting. To the contrary, as a direct result of the administration's incredible favoritism towards big business, corporate profits are at stratosperic levels, and all at the expense of the average wage earner.

Last year, America's corporations made after taxes profits of $55.4 billion. This year, after tax earnings may hit a breathless $70 billion. That is a mountain of money to be divided up among very few at the top, to the detriment of the pockets of the many at the bottom. Ironically, many of these dollars have been squeezed out of the sweat and travail of the poorest American workers, who in turn are deprived of this minimum wage hike by an administration who asks us to believe that the veto is motivated by a desire to fight the inflation their every action makes worse.

A poor woman working as a maid or dishwasher or waitress, struggling desperately to keep body and soul together, would find it difficult to comprehend the logic of administration arguments. A man, unskilled, striving as a day laborer or janitor or elevator operator and supporting several children on his meager earnings might be hard put to whip up enthusiasm for the President's reasoning.

Here is callousness and cynicism, wrapped up into one ball and hurled in the face of the Congress and the poorest people in the Nation. Here is an action which defies logic, tramples upon truth, and makes a mockery of the labor of millions of honest people.

I shall vote to override this veto, and fervently hope that the House will rise to the occasion and do what is right for the affected people. Certainly the failure recently to do the same on emergency medical services is almost as severe a blot on ourselves as a Congress as it was on the administration for bringing about the situation in the first place.

We have an opportunity to salvage something for the people. Let us not miss it.

Mr. TIERNAN. Mr. Speaker, today we in the House of Representatives have a chance to override the President's veto of the minimum wage bill which would raise the wages of millions of Americans who presently earn less than $2 per hour.

This act provides for an increase in

the Federal minimum wage from the present $1.60 per hour, $1.30 for agricultural workers, to $2.20 an hour according to the following schedule:

For Nonagricultural workers:
Covered before 1966: $2.00 immediately and $2.20 after June 30, 1974.
Covered by 1966 and 1973 Amendments: $1.80 immediately; $2.00 beginning July 1, 1974; $2.20 after June 30, 1975.
Agricultural Workers: $1.60 immediately; $1.80 beginning July 1, 1974; $2.00 beginning July 1, 1975; $2.20 after June 30, 1976.

The act also extends wage and/or overtime protections to public employees, household workers, employees of conglomerates and agricultural processing workers. The present exemption of agricultural processing workers from overtime pay would be phased out over a 4-year period.

The President vetoed this bill on the grounds that it would be inflationary and result in unemployment. Let us examine the administration's positions on price increases. Recently the administration allowed an increase in the price of steel although steelmakers' profits this year were much higher than previous years. The administration has also forced interest rates to unbelievable levels making the cost of living rise for all Americans. The Civil Aeronautics Board is considering raising air fares 5 percent. The administration supports deregulating natural gas and letting its price rise 40 percent. The administration has sold our wheat, corn, and soybeans overseas forcing up domestic prices. Yet the President has vetoed this modest increase for the working poor in America.

One wonders whether the President would veto the bill if his "friends" who illegally gave him millions of dollars for his most recent election would benefit from the increase.

For too long Congress has refused to make the President realize the limitations of his power. Today is the ultimate test. If we cannot muster sufficient votes to override this outrageous veto, the Congress will have lost great respect. If we abandon the poor while the President dictates which bill can become law, we are merely a tool—a rubberstamp of the Executive.

Each and every Member of this body who intends to support this veto should go out into his district and live with a family whose earnings are less than $80 a week. I do not think that many would have the courage or the fortitude to stick it out for even 1 day.

The price of food has risen 38 percent since 1968 when the present minimum wage was enacted. These workers deserve a 25 percent increase immediately. I urge the passage of this bill.

Mr. LEGGETT. Mr. Speaker, what kind of President have we? Last week he vetoed a bill that would have saved the lives of 60,000 Americans per year, at a cost of $1,000 per life. Now he vetoes a bill that would have given urgently needed assistance to those who need it most, who work hard at our society's lowest, meanest jobs in a desperate attempt to keep their heads above water.

Consider how desperate is the plight of the low-income worker. As of 1968, the minimum wage has been $1.60 per hour, which at that time was just enough to keep a family of four at the poverty line of $3,200 per year. But the minimum wage no longer can maintain a family at the poverty line. We have sustained enormous inflation, thanks in large part to Mr. Nixon's prolongation of the Indochina conflict and mismanagement of the economy, and the poverty line is now at $4,200 net. Moreover, inflation has occurred to a disproportionate extent in food prices—one third more than general prices—which hit the poor the hardest since the poor spend more for food.

And believe me, gentlemen, we haven't seen nothing yet. During the past 6 months the price of farm products has inflated at an annual rate of 108.1 percent. When this increase has finished expressing itself in the retail food market, God knows what will happen to the poverty line.

But this does not appear to impress Mr. Nixon. Here is a man who thinks nothing of spending hundreds of thousands of dollars of taxpayers' money to improve his properties. Here is a man whose wife thinks nothing of spendig $285,000 to redecorate the Presidential jet because she didn't like the way it was just decorated at a cost of $1.8 million.

This isolation from the American people shows in his policies.

Mr. Nixon's objections to this bill simply don't make sense.

He says it would throw low-income people out of work. But this has never happened before when we have raised the minimum wage, and there is no reason at all to assume that this time would be different. In fact, an increase in minimum wage tends to increase employment, since the new money is promptly spent, thus increasing consumer demand and production to meet the demand.

He says it would be inflationary. But we have been allowing union settlement of 5.5 percent per year, which if compounded over 6 years total 37.9 percent—even more than the 37.5 percent minimum wage increase we are proposing for the period 1968–74. And the minimum wage people need this increase a lot more than do the $10 per hour plumbers and electricians.

I cannot escape the thought that behind these transparent and unconvincing objections lies Mr. Nixon's real reason for the veto. Toward the end of his message, he says:

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.

In fact, the bill retains the exemption for these small businesses. But it extends coverage to small establishments owned by large chains or conglomerates. I cannot forget how hard McDonald's hamburger chain lobbied last year against extending full minimum wage coverage to its employees, nor can I forget this corporation's vigorous and tangible support of Mr. Nixon's reelection campaign. Perhaps I am being unduly cynical to suggest a connection between the two. I hope so, but this veto encourages cynicism.

In any case, the veto is unconscionable. It will condemn millions of Americans—working Americans, not welfare cases—to a miserable existence. We should override it.

Mr. MATSUNAGA. Mr. Speaker, today we will decide whether we will permit the poorest of America's hard-working wage earners to bear disproportionately the burden of our Nation's economic reverses.

In its attempt to justify its misguided action the administration has offered two basic claims—that raising the minimum wage will generate unemployment among the poor, and that it would be inflationary to the whole economy.

In making its claim that the poor themselves will be most adversely affected by raising their own meager incomes to subsistence levels, the administration ignores the official reports of the Bureau of Labor Statistics, which show clearly that the consequence of minimum wage adjustments in the past has never been a rise in unemployment. Indeed, in 1949, 1961, and 1967–68, unemployment actually decreased, after the minimum wage was raised immediately prior to those years.

Of course, the primary argument of the administration is that by raising the wages of the very poor, we will be adding to our admittedly serious inflation. The first response to this is that the administration's own Cost of Living Council has exempted from controls all wages less than $3.50 an hour. The minimum proposed in the vetoed bill is only $2 an hour immediately and $2.20 next year.

Second, it must be remembered that the administration has itself advocated raising the minimum wage from $1.60 to $1.90 immediately. It is difficult to comprehend why it so strenuously objects to the bill which provides only 10 cents more per hour immediately.

Indeed, in 1966, after the massive 28 percent increase in the minimum wage was legislated by Congress, Mr. Nixon's Secretary of Labor, James Hodgson, declared that the increase "had no discernible adverse effect on overall employment levels and on overall wage or price levels."

Today, Mr. Speaker, the current $1.60 per hour minimum will buy less than $1.25 purchased in 1966.

A wage earner paid at today's minimum wage earns only $3,200 gross income annually. If he supports a family of four, his gross income falls $1,000 below the poverty level of $4,200 net income for a family of four, as defined by the Labor Department. In my State of Hawaii, where the poverty level is somewhat higher, this means that if the veto is sustained, the worker earning today's minimum wage will be relegated to a gross income of $1,650 below the annual net wages of $4,850 needed to maintain only a poverty level existence for his family.

From these facts, it is difficult indeed to ascertain how the Nation's lowest paid wages kept low.

I strongly urge that the President's veto be overridden.

Mr. ASHBROOK. Mr. Speaker, no one can disagree with the purported objectives of H.R. 7935, the minimum wage bill. We are all for an adequate standard of living for every American and the elimination of poverty. The key issue, however, is whether the bill before us today will achieve these objectives. I contend that not only will it fail to achieve these results but that it will lead to further unemployment and inflation.

A Bureau of the Census report on low income characteristics shows that 35.4 percent of all poor families and 51 percent of poor unrelated individuals received no earnings in 1971. Approximately half of the poor family heads and two-thirds of unrelated individuals did not work at all. These statistics show that poverty is not so much a result of low wages as a result of no wages. An unemployed individual receives no benefit when the minimum wage is raised from $1.60 to $2.20 or even $22. Such an individual needs greater employment opportunities.

Rather than increasing employment opportunitiies, however, the high minimum wage proposed in this bill will hurt those who are unemployed by reducing the rate of new job creation for low skill and low productivity workers whose work output is less than the wages required to be paid. Particularly hard hit will be young people, especially those of minority groups and disadvantaged backgrounds.

In addition, the bill will add new individuals to the ranks of the unemployed by pricing marginal workers out of the market. Confronted with a 37.5 percent increase in the minimum wage in less than a year, some employers will be forced to lay off workers who otherwise would have remained on the payroll.

Finally, this bill will result in further inflation as businessmen will attempt to pass at least some of the higher labor costs onto the consumers.

With the high rate of unemployment and runaway inflation now besetting our Nation, we cannot afford the minimum wage set forth in this bill. Congress must act responsibly and not induce further instability into our economy.

Mr. BIESTER. Mr. Speaker, an increase in the minimum wage is long overdue. Congress has devoted an inordinate amount of time to this matter, and the resolution of differences has not been easily achieved. The compromise bill before us is a significant step toward assuring a small portion of the labor force that its wages will enable it to realize the basic necessities of daily life.

Concern has been expressed that provisions of the Fair Labor Standards Act amendment—specifically those increasing the minimum wage over a period of time—are inflationary and will cause unemployment. This concern, however, is not justified by available information. It appears to me that the facts underscore the need for a minimum wage increase which will bring such wages a bit closer to a decent level.

The persistently upward progression of the cost of living has affected us all, but it has most dramatically and cruelly hit those on low incomes and those on fixed incomes. The poverty threshold for a family of four is approximately $4,300. The cost of living has risen over one-third since the most recent minimum wage increase went into effect in 1968, and a worker at the present minimum of $1.60 earns almost $1,000 less than the designated poverty level. At $2.20 an hour a full-time worker would earn approximately $4,400 a year—barely above the poverty line. Today's $1.60 minimum has a lower purchasing power than the $1.25 minimum had in 1966. In fact, the former Secretary of Labor, James Hodgson, noted in 1971 that:

> The ratio of the minimum wage to average hourly earnings or to average hourly compensation per man hour is now lower than it was in 1950.

Today's minimum wage would approach $2.20 if a cost of living increase had been incorporated into the $1.60 minimum. Using the cost of living's 5.5 percent figure for wage increases within the wage and price control guidelines, if the minimum wage had been increased by 5.5 percent each year since the $1.60 wage went into effect in 1968 the minimum would be $2.20 in 1974, the figure set forth in this legislation.

Those workers and potential workers who would be affected by an increase in the minimum wage are already hovering near a subsistence livelihood. It can hardly be argued that the additional income they would realize would go toward purchases of a nature which would significantly fuel the rate of inflation. The people at whom this legislation is directed are at or very near the absolute bottom of the wage ladder. At the poverty level, a family of four spends one-third of its income on food. The increases in the costs of various basic foodstuffs—milk, grain products, vegetables and the most inexpensive cuts of meat—which have been a budget-balancing challenge to the middle income family have been more than the poor family can bear.

In almost half the States a family of four can receive more from welfare than it can by working full-time at the minimum wage. There certainly is little incentive for the welfare recipient to locate and accept an unskilled job at the current minimum when he can be better off financially by not working.

Past experiences with increases in the minimum suggests that the economy is capable of adjusting to such increases with only slight, if any, difficulty. Reporting on the 1968 increases, former Labor Secretary Hodgson stated in 1971 that:

> It is doubtful whether changes in the minimum had any substanital impact on wage, price or employment trends.

Similarly, a representative of the U.S. Chamber of Commerce testified in Senate hearings that the minimum wage is not inflationary.

The vetoed bill would increase the minimum initially by 40 cents and an additional 20 cents by 1974. The administration approves a 30-cent initial increase and an additional 40 cents, in two stages, by 1976. In either case, we are talking about wages which would be almost $1.50 an hour less than the level of wages at which the Cost of Living concerns itself for purposes of moderating inflationary forces.

If we accept the premise that inflation is a legitimate concern in discussion of this legislation, it is difficult to argue that the vetoed version could be appreciably more inflationary than the administration version. A minimum wage increase would affect only 5 percent of all employed Americans. With the economy more healthy than it has been in months and profits at record highs, an increase of the size proposed would not impair, in any substantive manner, our efforts to stabilize the economy.

The President, Congress, the business community, labor, and the American public will have to cooperate and compromise if inflation is to be checked. Concessions by and to all participants in economic life have been and are being made. This legislation affects only a small portion of the work force and one which has traditionally lacked an effective voice in decisionmaking affecting its future. Its economic position should not be slighted and its well-being should not be treated as expendable.

For these reasons, I will vote to override the veto, and I so urge my colleagues.

Mr. KOCH. Mr. Speaker, I rise in support of the House's effort today to override President Nixon's veto of the minimum wage bill. Not since 1966 has there been any increase in the basic minimum wage, though since that time the cost of living has risen 30 percent, with food prices figuring for 38 percent of this increase. Today, even at $2 an hour, the full-time worker would gross only $4,000 a year—an amount below the poverty level for an urban family of four. Even the pre-1966 minimum wage level of $1.25 an hour gave a worker more purchasing power than he has today.

The President has cited no real evidence for his statement that this increase would be inflationary; in fact, annual reports of the Labor Department on the impact of the last minimum wage increase have shown *no* adverse effects either in terms of employment or in terms of inflation. And the Cost of Living Council has recognized the noninflationary character of minimum wage increases by exempting wages below $3.50 from its rules. Minimum wage legislation does not, of course, require any expenditure of Federal funds and should actually result in a reduction of the number of Americans who have had to be added to the welfare rolls because their wage levels cannot match the increased cost of living. Nor should this legislation work a hardship on U.S. industry, with corporate profits soaring to a record high of $52.6 billion last year.

In addition to the increase in the minimum wage to $2 on November 1 and to $2.20 by July 1, 1974, I also welcome the

provisions in the bill extending minimum wage coverage to 7 million additional workers, including domestic employees, Government employees, and service employees of chain stores. Almost one out of every three maids in private homes serves as the head of her household, and half of these have been earning less than $1 an hour. The typical domestic household worker, however, does not work full time and receives almost no fringe benefits in the form of health benefits, pension plans, or premium overtime pay—all of which, on the average, add at least 25 cents to each dollar earned by other workers. How can we begrudge these workers the opportunity to raise their families at a decent standard of living?

I cannot accept the President's proposal that a subminimum wage be allowed for a broad category of young workers. I strongly believe in the principle of equal pay for equal work, and I suspect that the effect of the President's proposal would be the displacement of large numbers of older workers.

What the President seems to want to do is to use the lowest paid workers in this country as a scapegoat for his own mismanagement of the nation's economy. It is his own handling of food exports and his reliance on the highest interest rates ever, rather than any increase in the minimum wage, that has produced the "enormous boost to inflation" that the President speaks of. We must remember that the workers who would benefit from this increase in the minimum wage are those who for so long have been the victims of inflation, rather than the cause of it.

Mr. DONOHUE. Mr. Speaker, I intend to vote to override the Presidential veto of this minimum wage bill, and I earnestly hope that a very great majority of this House will, in the national interest, reject this regrettable Presidential action. In my firm and considered judgment, the factual evidence in support of this limited minimum wage increase proposal is overwhelming.

Let us remember that there has been no increase in the minimum wage for 5½ years, and let us also remember that a person earning $1.60 an hour, working 40 hours a week and 52 weeks a year would only make an annual income of $3,320, which figure, according to our own U.S. Department of Labor, is well under the $4,300 per year, that this Federal agency proclaims to be the poverty level income for a family of four.

Let us further emphasize, however regrettably, that the cost of living in this country has risen more than 33 percent since the last minimum wage raise was granted in 1967, and if this minimum wage were to be raised only enough to keep up with the intervening cost of living, it would have to be placed at a figure of $2.13 per hour right now. In truth, the limited minimum wage raise recently granted by the Congress does not even keep pace with, let alone even out, the general rise of American wages during this period.

In view of these facts, and in the face of the ever-accelerating increases in the costs of basic living necessities and personal services, the highest corporate profits in modern history, the administration's astronomical defense budget and expanded foreign aid assistance requests and uncontrolled inflation, it is practically impossible to understand how anyone can attempt to justify the withholding of a marginal minimum wage increase to the millions of workers and their families, who are suffering extreme hardships from the inflationary plague that is raging, unrestrained, throughout this country.

May I also emphasize, Mr. Speaker, that the documented history of minimum wage increases very clearly demonstrates that, contrary to inflationary fears that are entertained in some quarters, every advance in the minimum wage since World War II has resulted in additional employment opportunities for older workers, men and women, for minority groups and for teenagers.

Mr. Speaker, I very deeply believe it is obviously discriminatory and unjust to use millions of our lowest-paid workers as scapegoats for our inflation affliction and it seriously undermines the imperative necessity of insuring that the sacrifices that must be made to overtake and overcome the inflationary curse must be equally distributed throughout every segment of our society.

If great numbers of our people ever become convinced that our Federal Government does not intend to apply the basic principle of equal treatment for all in our effort to stabilize our economy, then I think it is quite apparent there is a very grave danger that we will not only be unable to successfully resolve our inflation problem, but we will also be unable to resolve any of the other great domestic and international problems that threaten our continuing status as a first-class world power.

Mr. Speaker, for all these reasons, and because of the overwhelming evidence on record, I hope this House, this afternoon, will resolutely reaffirm our original approval of this minimum wage bill, and resoundingly reject, in simple justice, the Presidential veto.

Mr. ROYBAL. Mr. Speaker, the President's veto of the minimum wage bill passed by Congress after almost 3 years of serious deliberation and debate displays a disregard for the economic well-being of thousands of low-wage earners in our country. His claim that the bill would be inflationary and would create unemployment is a rash judgment founded on weak if not nonexistent facts.

First, the issues involved should be properly identified and separated before national policy is developed to deal with them.

Unemployment is one of the more serious problems of our Nation. It should be attacked with sound and effective programs such as manpower development, job-creation, and a steady growth in the total economy. Unemployment, above all, should not be a war cry against the earning potential of workers now receiving less than the officially set 1972 poverty level of $4,275—a level even the $2 rate of the vetoed bill would not achieve in 1973. In addition, past experience also belies the claim that, of itself, an increase in the minimum rate causes a rise in unemployment.

Certainly inflation has been a persistent dilemma in America and, indeed, in most developed nations of the world. Yet the working poor of America should not be made undeserving victims of national policy to fight inflation.

Economic policy dealing with rising prices is potentially broad and should concentrate on those elements of our industrial society which contribute most to its existence. Runaway prices, excessive profits under a loosely administered economic stabilization program, and high wages and salaries in certain concentrated industries should be targets of national policy rather than the subsistence wages of the working poor.

The decisions of the Cost of Living Council on price increases have added billions of dollars to the economic flow in this and the past year. Yet, by this administration's own computation, the vetoed minimum wage bill would add only 0.4 percent to the wage bill for affected workers. In terms of national income, the increase mandated by the bill would have even a lesser impact on the economy. In 1973, the bill would add only $1.6 billion to the approximate $1 trillion received as income by Americans. As such, the additional increase in the national income generated in 1973 by the minimum wage amendments—including overtime and the so-called ripple effects—would be so infinitesimally small that it could hardly be noticed much less considered an inflationary force in today's otherwise violent economy.

The claim that the minimum wage increase is excessive is also spurious. Under the bill, the largest increase for most workers occurs in the first phase. It raises the $1.60 rate to $2 an hour—a 1-year increase of 25 percent. Over this total time period stipulated in the bill, the increase amounts to 37.5 percent. Yet, these increases, although large, would go to only a small part of the labor force. That is, the increase would be enjoyed by less than 5 percent of the 85 million employed workers in our Nation now earning a wage below the proposed rates. And, while the increase seems high, it must be noted that the Consumer Price Index has increased by more than 35 percent since the last fair labor standards amendments were enacted in 1966. Consequently, the irony of the situation is obvious. Increases mandated by the bill have already been canceled out by the upward movement in prices occurring during the last 6 or 7 years. In addition, average hourly earnings in the private nonfarm sector have increased by more than 52 percent since 1966.

To deny those workers at the bottom of the income scale a minimum wage which is not even high enough to meet cost-of-living increases, or the Government's level of poverty, or increases granted to other workers in America is a social travesty which should be corrected by overriding the President's veto of the Fair Labor Standards Act Amendments of 1973.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I find it almost incomprehensible that this House should be taking up a resolution to override the veto of a bill which would merely make it possible for 25 million Americans to live, not particularly well, but merely with those necessities of life which make it possible to exist. The arguments used by the administration to justify its action rubs against the grain of every concept of economic and moral justice which we as public officials—and I include the President—are charged to uphold.

The justification for the veto, that increasing the minimum wage would be inflationary is no less than shameful. The inflationary spiral which has victimized every American, has injured most those at the bottom of the economic ladder. This round of inflation, one of the longest in American history, is not caused by high wages. Indeed, administration economists admit that wages have held the line in the face of constantly increasing prices. The Labor Department itself has studies in its own files showing that increases in the minimum wage have no effect whatever, no "ripple effect", throughout the pay ranks nor for that matter would it affect prices. So the argument that increasing the minimum wage is inflationary is at best specious.

Sylvia Porter, a highly regarded economic columnist eloquently gives the lie to the administration position:

How dare we ask the very lowest paid workers among us to stand in the first line of defense against an inflation fueled by the buying and borrowing of the affluent? How can we possibly justify asking those already being pinched the hardest to accept an even stiffer pinch "for the national good?"

Miss Porter asks:

What sort of distorted economics translates price pressures resulting from a worldwide boom and its soaring demands for goods and services into a wage curb on those who don't even earn enough to have normal, much less, "soaring" demands for anything?

Even if one does not agree with such arguments of economic justice, history fails to support the President's position that minimum wage increases are inflationary. No inflation was caused by the 87.5-percent minimum wage increase in 1950, by the 33.5 increase in 1956, by the 15-percent increase in 1961, or by any other increase thereafter. Even the U.S. Chamber of Commerce, representing business and industrial interests which would be out of pocket the increase, did not have the audacity to make the inflation argument. Dr. Richard S. Landry, a chamber of commerce economist testified that:

The Chamber does not contend, unlike some of the other witnesses that appeared before you apparently, that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages.

Those who would lose most from our failure to override the veto would be white and black men and women workers at the bottom of the scale. For example, there is a large pool of domestic workers willing to enter the labor market who today simply cannot afford to do so. The costs of transportation, child care, and other necessities borne of such employment simply make it not worthwhile to enter the labor market. Ironically, there is a large number of persons who need domestic help and would be willing to pay if there were a pool of labor force from which to choose.

As Sylvia Porter said in another column:

It's difficult to argue that barring these workers from the protection of our wage-hour laws is essential for the economic health of our country.

This administration cries out against welfare and demands that those on welfare go to work. Yet when the Congress provides the means to lower permanently the welfare rolls in the form of up-to-date minimum wage laws, in the form of day care, in the form of manpower training, and in the form of vocational rehabilitation, the administration takes the position that these measures are inflationary. Yet all of those measures would add to the tax rolls, create jobs, and smash the welfare spiral. More than being penny wise and pound foolish, the administration is following a policy of self-serving rhetoric rather than good economics. One suspects its interests are special; in no sense of the word are they popular.

Mr. CLEVELAND. Mr. Speaker, I support the veto of H.R. 7935, a bill I supported on initial passage. As I have said in connection with previous veto votes, a veto action by the President adds a new dimension to consideration of an issue. In this particular case, however, I also wish to add that I had regarded this piece of legislation with some reservations, as it finally passed. On one hand, there is no question that the minimum wage should be increased, as I remain confident it will. But the real issue is by how much, how fast, and who is covered.

As a supporter of the Erlenborn substitute I was extremely disappointed that the youth differential provision was rejected in initial passage of the bill. No amount of tortuous argument can conceal the shockingly high unemployment rate among our youth. We simply must deal with the problem of the young and inexperienced worker, and the plight of many small businesses which may represent their only employment opportunity. And we must consider the similar problems of the elderly whose ability to compete in the job market can be diminished by age and technological change.

Another objectionable feature of the vetoed bill is the manner in which we dictate wage levels to local governments. I had been under the impression that we in the Congress were embarked on a policy of greatly encouraging local governments to make their own decisions without dictation from the Halls of Congress.

I am not particularly impressed, however, by the argument that a 37-percent increase is inflationary. Those at the lower end of the earnings scale have some catching up to do. So I reiterate that I remain determined to support efforts to enact a reasonable minimum wage bill meeting some of the objections I have stated. I have voted to increase the minimum wage in previous years. But experience has shown that too abrupt an increase can be a disservice to the alleged beneficiaries thereof. Results have too often been to sharply reduce marginal jobs and to increase unemployment at the bottom of the economic ladder.

Mr. PEPPER. Mr. Speaker, I rise in support of overriding the President's veto of the minimum wage bill which is certainly not inflationary according to all the economic and social facts I have thoroughly examined; but quite to the contrary is designed to help some of our most exploited workers overcome the severe hardships that inflation is imposing on them.

I shall mention only one or two most significant economic facts which justify the passage of this legislation. First, there are only 3.8 million people in the work force of the 53 million who already are covered under the Fair Labor Standards Act who will benefit from this bill during the first year. The remainder of the 53 million workers are already receiving wages which are at or above the rates prescribed under the bill, and among these workers are most of the Federal, State, and local employees who are receiving $2 or more an hour.

Second, the actual cost of the benefits for these 3.8 million people is $1.7 billion, an infinitesimal part of our total national personal income which now totals $1 trillion a year when we include all wages, and salaries, and income from various kinds of investments. I understand further, this $1.7 billion cost is very close to the cost of two of the recent price increases which were permitted to the automobile industry and the steel industry by the Cost of Living Council.

This infinitesimal effect on our economy of this bill is further indicated by the fact that according to the Cost of Living Council, wage and salary increases below $3.50 are exempt from the economic stabilization program. This low-wage exemption, therefore, until the President's veto message, was recognized by his economic stabilization program officials to be in accordance with the standards and goals of the program.

I honestly cannot find any fact or logic to substantiate the President's veto of this bill. Therefore, I am compelled to recall the partisan history of opposition to minimum wage legislation that is too significant to ignore and that does provide a political reason for the veto. Since the very first minimum wage bill was passed in 1938, the record of voting in the House indicates that of the 26 recorded votes over the years, the Republicans in the House have steadfastly opposed minimum wage legislation by overwhelming margins of votes. In only eight cases since 1938, has the Republican party split on a minimum wage measure by any appreciable margin and supported passage of significant legislation.

I continue to be concerned about the recent publication of U.S. census figures

on poverty in this country. They indicate the blacks, the elderly, and other minority groups are the most exploited in our society. Until such time as the House can override the President's and the apparent Republican party's opposition to far-reaching and necessary minimum wage legislation, we shall continue to perpetuate the ghetto life for workers among our minority youths and older workers particularly, and doom them to the squalor and hopelessness of the ghetto.

Mr. Speaker, since 1938 when the minimum wage bill was the issue in my campaign for the U.S. Senate in Florida, I believe I have been a Member of the House or Senate whenever a bill increasing the minimum wage has been passed except one in the 1950's. Every time the issue has arisen we have heard the same arguments against this legislation and we have had the same kind of opposition; we have had the same specious reasons given against it.

Yet, in specific instances we have passed these bills gradually raising the minimum wage from 25 cents an hour in 1938 to $2 an hour under this bill as we passed it. It has been a blessing to millions of our fellow countrymen who needed help; it has not had the dire consequences which those opponents have repeatedly asserted it would have; it has made America stronger and better. Yet now, for the first time, the President of the United States has vetoed a minimum wage bill and I think the President's party having about 192 Members of the House, and it only taking 146 votes sustaining a President's veto to prevent it from being overridden, I anticipate for the first time a Presidential veto will deny to millions of the lowest paid Americans a little better standard of living than they have had—a little better food on the table, a little better shelter and a little improvement in their clothes, a little better care for the health of the covered worker and his family, maybe a few items more of pleasurable recreation.

I personally could not get any satisfaction from denying these few benefits to the lowest paid of our fellow citizens-workers. If there are those who do, let them have their satisfaction in the sorrow of others. I would much prefer to know when I go to my comfortable home tonight, as all of us here will, when I lie down upon my pillow with the feeling that today I bettered tomorrow for many worthy working men and women of this country who are among the less fortunate of our fellow men and women. Whether that will be so will depend upon this vote.

I cast my vote proudly for better justice for the lowest paid working people of this country and for a better and stronger America.

Mr. FLOWERS. Mr. Speaker, this is a difficult vote for me, as I know it is for many of us here in the House of Representatives. On the one hand, I feel very strongly that it is time for an increase in the minimum wage. The current level has been in effect for a number of years, while the purchasing power of those earning minimum wages has been severely and adversely affected by inflation. Mr. Speaker, I definitely support a substantial and graduated increase in the minimum wage.

On the other hand, I believe the evidence clearly indicates that the levels imposed by this legislation would add to our problems of inflation and, perhaps, more importantly, be counter productive in the harmful repercussions on business and job opportunities across the land. The result being that many businesses, especially small businesses, would go under and many other positions of employment would be foreclosed.

For these and other reasons, and with the firm hope and resolve to work toward a better and more equitable bill to raise minimum wages in this Congress, I am constrained to vote against overriding the Presidential veto.

Mr. PRITCHARD. Mr. Speaker, one of the most important pieces of legislation to be considered during this session of Congress, the minimum wage bill, was vetoed by the President. I supported the original minimum wage bill (H.R. 7935), as reported by the Committee on Education and Labor, for several compelling reasons. For these same reasons, I cannot vote to sustain the President's veto of this important measure.

It has been 7 years since the last time Congress amended the Fair Labor Standards Act to increase the minimum wage. The major changes that have taken place in the economy justify, I believe, a reconsideration of the level of minimum wage rates. The Consumer Price Index has risen 31 percent since the act was last amended. An increase in the minimum wage to $2.10 would just restore its 1966 purchasing power, if it were effective immediately. With a continuation of current rates of inflation, the administration's substitute bill, which would have established a $2.10 minimum in 2 years, would never restore the 1966 purchasing power. The vetoed bill, with a $2.20 minimum in 1 year, just would. The assumption is that the 1966 real value of the minimum wage is the appropriate benchmark.

A second approach toward setting minimum wage rates would restore the relationship between minimum and average wages prevailing at the time the act was last amended. The assumption is that the 1966 ratio is the appropriate one. Average hourly earnings in manufacturing have risen from $2.72 in 1966 to $3.99 in January 1973, or 47 percent. Average hourly earnings in the total nonagricultural private economy have risen 48 percent during the same period, from $2.56 to $3.39. Thus, an increase in the minimum wage somewhat greater than that indicated by the Consumer Price Index—to $2.35 an hour—would be required to restore the 1966 relationship between minimum and average wages.

The stated purpose of the Fair Labor Standards Act is to maintain a minimum standard of living necessary for health, efficiency, and general well-being of workers. Trends in the cost of living imply trends in the "poverty line," which has come to be regarded as a third approach for setting minimum wages. The vetoed bill's provision of $2 an hour will still leave the low-wage worker below the Government-defined "poverty-level" of $4,400 per year for a nonfarm family of four, assuming he works 40 hours for a full 52 weeks in the year. Not until 1 year after enactment would the increase to $2.20 an hour meet the "poverty-level" standard—if prices do not rise sharply during the interim.

As many of my colleagues know, wage rates are so low in some States that workers at the bottom end of the pay scale are better off to go on welfare. I believe this is bad for the worker, and bad for society. A sensible minimum wage level is essential to keeping these people on the job, and off the welfare rolls.

Mr. QUIE. Mr. Speaker, since the increases in the minimum wage provided for in the 1966 amendments last took effect, the cost of living has gone up. Further, in the period which has intervened between the time we first began consideration of a new minimum wage and now, the ripple effect anticipated as a result of an increase in the minimum wage has in large part already taken place. I also want to point out that in the minimum wage bill which I joined in sponsoring in the last Congress, provided a minimum wage of $2 effective in 1972. This bill which would increase over time the minimum wage to $2.30 an hour is in line with the proposal of the administration. Accordingly, several of my colleagues and I are introducing this bill which would increase the minimum wage to $2 an hour on the first day of the second full month after its enactment. Thereafter, that rate for employees covered prior to 1966 is increased to $2.10 an hour 11 months after enactment. If an acceptable minimum wage bill had passed in July the next step would have occurred 11 months later. The reason why 11 months rather than a fixed date is used is to put pressure on the majority in Congress to take action as soon as possible and successively to $2.20 and $2.30 an hour on dates at 1 year intervals after the effective date of the $2.10 rate. On the same date the rate for employees covered after 1966 would be increased to $1.80 with increases thereafter to $2, $2.20, and $2.30 at the same intervals. For employees in agriculture the rate would start at $1.60 with increases to $1.80, $2, $2.20, and $2.30 at the same intervals.

With respect to State and local government employees, this bill would cover them for the purposes of the minimum wage, but not overtime.

Domestic workers would be covered by the Fair Labor Standards Act where they are regularly employed by an employer for 24 or more hours per week.

This bill would retain the $250,000 establishment sales test for those in the retail and service industries.

It would reduce the overtime exemptions in the agricultural processing and seasonal industries to 5 workweeks and 7 workweeks over a 2-year period.

Further, it would provide youth employment opportunities for those under the age of 18 or for full-time students by means of a rate differential:

Where the employer certifies that such employment will not create a substantial probability that other full-time employment opportunities would be reduced;

Where the Secretary of Labor does not disapprove such employment;

Where the period of employment for those not full-time students would not exceed 20 weeks; and

Where such employment is limited to six employees or 12 percent of the total number of employees employed by that employer, whichever is higher.

In all other respects this bill would retain the provisions of the conference report on H.R. 7935 intact.

Mr. DENT. Mr. Speaker, I move the previous question.

The previous question was ordered.

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

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 259, nays 164, answered "present" 1, not voting 10, as follows:

[Roll No. 465]

YEAS—259

Abzug	Diggs	Kazen
Adams	Dingell	Kluczynski
Addabbo	Donohue	Koch
Alexander	Dorn	Kyros
Anderson, Calif.	Drinan	Leggett
	Dulski	Lehman
Andrews, N.C.	Eckhardt	Long, La.
Andrews, N. Dak.	Edwards, Calif.	Long, Md.
	Eilberg	McCloskey
Annunzio	Evans, Colo.	McCormack
Ashley	Evins, Tenn.	McDade
Aspin	Fascell	McFall
Badillo	Findley	McKay
Barrett	Fish	McKinney
Bell	Flood	McSpadden
Bennett	Foley	Macdonald
Bergland	Ford, William D.	Madden
Bevill	Forsythe	Madigan
Biaggi	Fraser	Mailliard
Biester	Fulton	Maraziti
Bingham	Gaydos	Matsunaga
Blatnik	Giaimo	Mazzoli
Boggs	Gibbons	Meeds
Boland	Gilman	Melcher
Bolling	Ginn	Metcalfe
Brademas	Gonzalez	Mezvinsky
Brasco	Grasso	Milford
Breaux	Gray	Minish
Breckinridge	Green, Pa.	Mink
Brinkley	Griffiths	Mitchell, Md.
Brooks	Grover	Mitchell, N.Y.
Brown, Calif.	Gude	Moakley
Broyhill, N.C.	Gunter	Mollohan
Burke, Calif.	Hamilton	Moorhead, Pa.
Burke, Mass.	Hanley	Morgan
Burlison, Mo.	Hanna	Mosher
Burton	Hansen, Wash.	Moss
Carey, N.Y.	Harrington	Murphy, Ill.
Carney, Ohio	Hawkins	Murphy, N.Y.
Carter	Hays	Natcher
Chappell	Hechler, W. Va.	Nedzi
Chisholm	Heckler, Mass.	Nichols
Clark	Heinz	Nix
Clay	Helstoski	Obey
Cohen	Henderson	O'Brien
Collins, Ill.	Hicks	O'Hara
Conte	Hillis	O'Neill
Conyers	Hogan	Owens
Corman	Holifield	Passman
Cotter	Holtzman	Patman
Coughlin	Horton	Patten
Cronin	Howard	Pepper
Culver	Hungate	Perkins
Daniels, Dominick V.	Ichord	Peyser
	Johnson, Calif.	Pickle
Danielson	Johnson, Colo.	Pike
Davis, Ga.	Jones, Ala.	Podell
Davis, S.C.	Jones, Okla.	Preyer
de la Garza	Jones, Tenn.	Price, Ill.
Delaney	Jordan	Pritchard
Dellums	Karth	Railsback
Denholm	Kastenmeier	Randall
Dent	Kazen	Rangel
Rees	Schroeder	Van Deerlin
Regula	Seiberling	Vanik
Reid	Shipley	Vigorito
Reuss	Sikes	Waldie
Riegle	Sisk	Walsh
Rinaldo	Skubitz	Whalen
Rodino	Slack	White
Roe	Smith, Iowa	Widnall
Rogers	Staggers	Williams
Roncallo, Wyo.	Stanton, James V.	Wilson, Charles H., Calif.
Roncallo, N.Y.	Stark	
Rooney, N.Y.	Steed	Wilson, Charles, Tex.
Rooney, Pa.	Steele	
Rose	Stokes	Wolff
Rosenthal	Stratton	Wright
Rostenkowski	Stuckey	Wyatt
Roush	Studds	Wydler
Roybal	Sullivan	Wylie
Runnels	Symington	Wyman
Ruppe	Taylor, N.C.	Yates
Ryan	Thompson, N.J.	Yatron
St Germain	Thornton	Young, Alaska
Sandman	Tiernan	Young, Ga.
Sarasin	Udall	Young, Tex.
Sarbanes	Ullman	Zablocki
Saylor		

NAYS—164

Abdnor	Fountain	Nelsen
Anderson, Ill.	Frelinghuysen	Parris
Archer	Frenzel	Pettis
Arends	Frey	Poage
Armstrong	Froehlich	Powell, Ohio
Ashbrook	Fuqua	Price, Tex.
Bafalis	Gettys	Quie
Baker	Goldwater	Quillen
Bauman	Goodling	Rarick
Beard	Gross	Rhodes
Blackburn	Gubser	Roberts
Bowen	Guyer	Robinson, Va.
Bray	Haley	Robison, N.Y.
Broomfield	Hammer-schmidt	Rousselot
Brotzman		Ruth
Brown, Mich.	Hanrahan	Satterfield
Brown, Ohio	Harsha	Scherle
Broyhill, Va.	Harvey	Schneebeli
Buchanan	Hastings	Sebelius
Burgener	Hébert	Shoup
Butler	Hinshaw	Shriver
Byron	Holt	Shuster
Camp	Hosmer	Smith, N.Y.
Casey, Tex.	Huber	Snyder
Cederberg	Hudnut	Spence
Chamberlain	Hunt	Stanton, J. William
Clancy	Hutchinson	
Clausen, Don H.	Jarman	Steelman
	Johnson, Pa.	Steiger, Wis.
Clawson, Del	Jones, N.C.	Stephens
Cleveland	Keating	Stubblefield
Cochran	Kemp	Symms
Collier	Ketchum	Talcott
Collins, Tex.	King	Taylor, Mo.
Conable	Kuykendall	Teague, Calif.
Conlan	Landgrebe	Teague, Tex.
Crane	Landrum	Thomson, Wis.
Daniel, Dan	Latta	Thone
Daniel, Robert W., Jr.	Lent	Towell, Nev.
	Lott	Treen
Davis, Wis.	McClory	Vander Jagt
Dellenback	McCollister	Veysey
Dennis	Mahon	Waggonner
Derwinski	Mann	Wampler
Devine	Martin, Nebr.	Ware
Dickinson	Martin, N.C.	Whitehurst
Downing	Mathias, Calif.	Whitten
Duncan	Mathis, Ga.	Wiggins
du Pont	Mayne	Wilson, Bob
Edwards, Ala.	Michel	Winn
Erlenborn	Miller	Young, Fla.
Esch	Minshall, Ohio	Young, Ill.
Eshleman	Mizell	Young, S.C.
Fisher	Montgomery	Zion
Flowers	Moorhead, Calif.	Zwach
Flynt		
Ford, Gerald R.	Myers	

ANSWERED "PRESENT"—1

Green, Oreg.

NOT VOTING—10

Burke, Fla.	Lujan	Roy
Burleson, Tex.	McEwen	Steiger, Ariz.
Hansen, Idaho	Mallary	
Litton	Mills, Ark.	

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

Mrs. Green of Oregon, and Mr. Mills of Arkansas for, with Mr. Burleson of Texas against.

Mr. Litton and Mr. Roy for, with Mr. McEwen against.

Until further notice:

Mr. Mallary with Mr. Burke of Florida.

Mr. Lujan with Mr. Steiger of Arizona.

Mrs. GREEN of Oregon. Mr. Speaker, I have a live pair with the gentleman from Texas (Mr. BURLESON). If he were present, he would have voted "nay." I voted "aye." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks and include extraneous matter on the bill just considered.

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

There was no objection.

PERSONAL EXPLANATION

Mr. MALLARY. Mr. Speaker, I arrived in the Chamber from a meeting in the Senate Office Building just as the final vote tally was being announced on this attempt to override the veto of H.R. 7935, amendments to the Fair Labor Standards Act to increase the minimum wage. I regret in the extreme my late arrival and my absence during this crucial vote. If I had been present earlier, I would have voted "yea." I would have voted to override the veto.

Earlier this year I voted for passage of minimum wage amendments to the Fair Labor Standards Act when they originally passed the House. Later in the session, I voted against accepting the conference report on this bill. At that time, I objected to the details of the extension of overtime provisions to State and municipal employees, particularly to firemen and policemen. I was under the impression that the nature of this extension would be to make impossible or prohibitively expensive certain working arrangements such as 24-hour shifts for firemen and the use of compensatory time off. These arrangements are relatively common and popular in many Vermont communities. Upon closer examination, I am now convinced that the conference version of the minimum wage amendments would allow such flexibility when viewed in conjunction with the Department of Labor Interpretative Bulletin, part 785 of title 29, which allows for counting of up to 8 hours in a 24-hour shift as nonworking time under certain circumstances.

I was very hopeful that the bill would provide a special subminimum wage level for students and other youths during a limited period while they were breaking into the job market. Statistical evidence clearly indicates that our greatest unemployment problems are among the younger members of our labor force, par-

ticularly the disadvantaged youth in our urban areas. I believe that special provisions to assist them in obtaining jobs and developing skills would have been constructive.

My primary concern with the final bill, however, and the reason why I voted against the conference report was because of my understanding of the extension of strict overtime provisions to State and Government employees.

On the basis of my own research into this matter, I am convinced this provision will not be as damaging as I had originally anticipated. Most of the other features of the act are not objectionable to me.

I am deeply concerned about the high rate of inflation which is wracking our country. My research does not confirm that an increase in the minimum wage to $2 an hour would be unjust or inflationary. The minimum wage was last raised in 1968. Since 1968, food prices are reported to have risen 38 percent. In view of this a 25-percent increase in the minimum wage from $1.60 to $2 is certainly warranted.

Under compromise legislation which I supported and was believed to have administration support last year, the minimum wage would have been raised to $2 an hour this year. The rationale for supporting such an increase last year is equally valid now. For these reasons, had I been present, I would have voted in favor of overriding the veto of H.R. 7935 and in favor of increasing the minimum wage.

REQUEST TO CONSIDER S. 2419, CORRECTING TYPOGRAPHICAL AND CLERICAL ERRORS IN PUBLIC LAW 93-86

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2419) to correct typographical and clerical errors in Public Law 93-86.

The Clerk read the title of the Senate bill.

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

Mr. CONTE. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

U.S. INFORMATION AGENCY AUTHORIZATION

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 548 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 548

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. 9715) to authorize appropriations for the United States Information Agency. 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 Foreign Affairs, 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. After the passage of H.R. 9715, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 1317, 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 provision contained in H.R. 9715 as passed by the House.

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

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

Mr. Speaker, House Resolution 548 provides for an open rule with 1 hour of general debate on H.R. 9715, a bill to authorize appropriations for the U.S. Information Agency for the fiscal year 1974.

House Resolution 548 provides that after the passage of H.R. 9715, the Committee on Foreign Affairs shall be discharged from the further consideration of the bill S. 1317, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 1317, and insert in lieu thereof the provisions contained in H.R. 9715 as passed by the House.

H.R. 9715 provides for an authorization of $203,279,000 for the fiscal year 1974. This figure includes the authorization for salaries and expenses of 9,572 employees—3,178 employed in the United States, 1,214 Americans overseas, and 5,180 local employees. This total represents an anticipated reduction of 264 positions from the previous fiscal year.

Mr. Speaker, I urge adoption of House Resolution 548 in order that we may discuss and debate H.R. 9715.

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

Mr. Speaker, the able gentleman from Florida (Mr. PEPPER) has explained the provisions of the resolution.

Mr. Speaker, today we are considering House Resolution 548, the rule which provides for the consideration of H.R. 9715, U.S. Information Agency Appropriation Authorization Act. This is an open rule with 1 hour of general debate, and makes it in order to insert the House-passed language in S. 1317.

The primary purpose of H.R. 9715 is to authorize $224,054,000 for USIA for fiscal year 1974.

By way of comparison the fiscal year 1973 appropriation was $206,803,000 and the administration request for fiscal year 1974 was $240,054,000.

This proposed authorization includes salaries and expenses for 9,572 employees, 3,178 employed in the United States; 1,214 Americans overseas and 5,180 local overseas employees. This total represents an anticipated reduction of 264 positions from the previous year.

Section 3 of this bill authorizes Little League Baseball, Inc., to purchase copies of a film "Summer Fever" produced by USIA which shows events in Little League baseball in the United States. This provision is necessary because existing law prohibits USIA from disseminating any of its material in the United States.

I have had an occasion to view first hand the operations of the people at USIA in action—they do a great job.

Mr. Speaker, I urge the adoption of this resolution in order that the House may begin debate on H.R. 9715.

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

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS. 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. 9715) to authorize appropriations for the United States Information Agency.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. HAYS).

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. 9715, with Mr. BRINKLEY 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 Ohio (Mr. HAYS) will be recognized for 30 minutes, and the gentleman from Wisconsin (Mr. THOMSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio.

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

Mr. Chairman, the bill before the committee (H.R. 9715) has only one purpose, namely, to authorize appropriations for the U.S. Information Agency—USIA—for fiscal year 1974.

This is the second year that the Committee on Foreign Affairs has presented to this committee an authorization measure for this Agency. Members will recall that previously the Agency had permanent authority to request such appropriations as it deemed necessary.

As in the case last year the Subcommittee on State Department Organization and Foreign Operations went over the Agency request in considerable detail. Our hearings cover more than 200 pages. A perusal of them will show that we made a concerted effort to find out the results the Government is getting for the money it spends.

I think there are parts of the Agency's operations that bear close scrutiny and we have served notice on it that next year we expect to inquire even more closely into these operations. I refer particularly to the publication and dissemination of the press wireless file. That

particular publication may serve a purpose in countries that have no press representatives stationed here. But I find it difficult to justify in countries such as those in western Europe where the papers have correspondents in the United States and whose governments often run extensive information services.

Another activity that I think can be pruned without damage is the publication of numerous magazines and journals. I have no doubt that they are appealing to individuals overseas who receive them free of charge. But I am uncertain that all of the journals are really necessary for the Agency to accomplish its mission. I may say that the Advisory Commission on Information, an outside body of five individuals appointed to keep an eye on the Agency, has also raised questions about these publications. By next year I expect the Agency to be able to justify every one of its publications not on the grounds that they are simply desirable, but that they are imperative for the Agency's operations.

The bill authorizes a total of $224,054,000 for the next fiscal year. This is a reduction of $16 million from the Executive request. That reduction represents a deletion we made for a new radio facility in the Far East to replace the one we presently have in Okinawa. It will be necessary for us to give up the radio station in Okinawa by 1977 under the terms of the reversion agreement with Japan. It was the belief of the subcommittee that the choice of an alternate site should not be conditioned alone on its technical desirability but must take into account foreign policy considerations. We did not think that sufficient attention had been given to this latter point.

USIA, like the Department of State, proposed open ended language that would authorize it to seek appropriations to meet increased salary and employee benefits as well as devaluation costs. As in the case of the State Department, we rejected the open ended authorization and insisted upon the inclusion of specific dollar amounts.

As presented originally by the executive branch, the bill carried $4,125,000 for the special international exhibitions programs. These are authorized under the Mutual Educational and Cultural Exchange Act of 1961. The current focus of these programs is on East Europe, the Soviet Union, and Berlin. These are not trade fairs but exhibitions of a topical nature that focus on various aspects of American life and culture presented in an American environment as well as seminars conducted by American specialists. I have seen some of these exhibitions and have been impressed by the responses they draw from the local population. Before the subcommittee had completed action on this bill, President Nixon and Secretary Brezhnev concluded an agreement for another series of exhibitions this year in the Soviet Union. The administration requested an additional $1 million to fund this series and the subcommittee added this to the original request.

Finally, we added a new section to authorize Little League Baseball, Inc., a nonprofit corporation, to purchase copies of a USIA produced film called "Summer Fever" that shows Little League baseball in this country. This authorization is necessary since by law USIA cannot show any of its films in this country unless Congress authorizes each case. The showings cannot result in any profit to this organization. I recognize the value of a film of this type but I hope it will not result in additional requests for special legislation by other organizations.

Mr. Chairman. I urge the committee to pass this bill.

Mr. THOMSON of Wisconsin. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I support passage of H.R. 9715.

The details of this bill have already been reviewed by the gentleman from Ohio (Mr. HAYS) so I will not repeat all of them. But I would like to emphasize that the subcommittee examined the U.S. Information Agency request very thoroughly, and I am convinced that this legislation is worthy of your support.

As the committee report noted, the $224,054,000 recommended by the committee is in five categories: Salaries and expenses, special international exhibitions, radio facilities, employee benefits, and devaluation costs. The largest item—$203 million—is for salaries and expenses of 9,572 employees. This includes Americans employed in the United States and overseas, plus local employees of the Agency overseas. The number of employees is down somewhat from last year, with a reduction of 264 positions anticipated.

The committee carefully reviewed the work of the Agency such as its special international exhibitions and the Voice of America. We denied funds at this time for construction of a new East Asia radio facility to replace the station now operated on Okinawa. While we recognize that the United States will have to cease operations from Okinawa within a few years as a result of the Okinawa reversion agreement with Japan, the committee did not believe sufficient study had yet been given to alternate sites for the new radio facility.

The bill reported by the committee would authorize Little League Baseball, Inc., to purchase prints of the USIA produced award winning film, "Summer Fever," which describes the Little League Baseball program in the United States. The film would be used by Little League in the United States to encourage adults to volunteer their services in working with the children who take part in the Little League Baseball program. At a time when there is concern over America's youth, this is certainly a constructive use of the film.

I urge approval of this legislation.

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

Mr. GROSS. Mr. Chairman, I am opposed to H.R. 9715, the pending bill, which would authorize another $224 million for the U.S. Information Agency for the next fiscal year.

I suppose that by comparison with other measures that Congress and the administration are endowing with money not to be found in the Federal Treasury, this may seem a rather small amount, but in the last 10 years alone this agency has spent almost $2 billion.

If Congress is interested in improving our balance of payments situation, the elimination of USIA is a good place to start. Successive dollar devaluations only run up the tab to keep it going in a manner to which it should never have become accustomed.

What are the objectives of this nationally subsidized public relations outfit? According to the law that created it, it is: "To promote a better understanding of the United States in other countries."

If one judges the results, better understanding has only resulted in reduced respect for this country. Would we be any worse off if others did not understand us? Would we be any better off? The policies we pursue in our relations with other countries have a more decisive effect on their understanding toward us than all the rhetoric the USIA could possibly turn out.

The basic law under which USIA operates states that the Secretary of State, now the Director of USIA:

> Shall reduce such Government information activities whenever corresponding private information dissemination is found to be adequate.

Has the Director ever tried to determine the adequacy of private information dissemination? No director has been stupid enough to do that; he might find himself without a job if he tried to.

Mounting appropriations for USIA give the impression that private information is drying up. If the foreign press corps in the United States, the diplomatic missions, and consular posts of foreign governments in the United States are doing their job, there is plenty of understanding available to foreign governments and peoples without this outfit.

Mr. Chairman, I propose to offer an amendment at the proper time to reduce the spending under this bill to the amount appropriated last year, which would be a cut of something less than $20 million. The appropriation last year was $260,803,000. I would like to see this bill defeated, but in the event it is approved, it ought to be brought back at least to the spending of last year.

Ms. HOLTZMAN. Mr. Chairman, it is with some regret that I oppose the $¼ billion authorization for the USIA. Although I support the theory that information about our country ought to be available throughout the world, at a time of pressing domestic needs the justification for spending such a substantial amount must be strong indeed. In the case of the USIA the justifications are not particularly weighty. The USIA's effectiveness has been marginal at best and its practices questionable at times.

It is not surprising that this agency has failed to promote confidence in the United States abroad by distribution of literature and similar materials. Actions speak louder than words. It is hard, therefore, to believe that foreign nations can be impressed by the strength of our economy when because of rampant inflation we find the senior citizens of this country reduced to stealing food from

supermarkets and scrounging through garbage cans, and when we have a higher illiteracy and infant mortality rate than a number of countries in Western Europe.

It is difficult to convince people of our peaceful intentions by mere words when we have devastated much of Indochina at enormous cost to the United States in lives and dollars, and at staggering costs to the Indochinese themselves.

And finally, how can we by the mere distribution of pamphlets show the world that we are a model of democracy when our President himself has authorized illegal domestic surveillance, engaged in deliberate deception of the American public and condoned similar activities on the part of others.

In other words, it seems to me that at this time we might do more to strengthen our image abroad by spending the $¼ billion slated for the USIA on providing a stronger economy and decent standard of living for all Americans and rooting out corruption and immorality at home—rather than on this agency whose effectiveness has yet to be proved.

Mr. THOMSON of Wisconsin. Mr. Chairman, I have no further requests for time.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 9715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Information Agency Appropriations Authorization Act of 1973".

SEC. 2. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1974, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 8 of 1953, and other purposes authorized by law, the following amounts:

(1) $203,279,000 for "Salaries and expenses" and "Salaries and expenses (special foreign currency program)", except that so much of such amount as may be appropriated for "Salaries and expenses (special foreign currency program)" may be appropriated without fiscal year limitation;

(2) $5,125,000 for "Special international exhibitions" and "Special international exhibitions (special foreign currency program)", of which not to exceed $1,000,000 shall be available solely for the Eighth Series of Traveling Exhibitions in the Union of Soviet Socialist Republics; and

(3) $1,000,000 for "Acquisition and construction of radio facilities".

Amounts appropriated under paragraphs (2) and (3) of this subsection are authorized to remain available until expended.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated without fiscal year limitation for the United States Information Agency for the fiscal year 1974 the following additional or supplemental amounts:

(1) not to exceed $7,200,000 for increases in salary, pay, retirement, or other employee benefits authorized by law; and

(2) not to exceed $7,450,000 for additional overseas costs resulting from the devaluation of the dollar.

SEC. 3. The United States Information Agency shall, upon request by Little League Baseball, Incorporated, authorize the purchase by such corporation of copies of the film "Summer Fever", produced by such agency in 1972 depicting events in Little League Baseball in the United States. Except as otherwise provided by section 501 of the United States Information and Educational Exchange Act of 1948, Little League Baseball, Incorporated, shall have exclusive rights to distribute such film for viewing within the United States in furtherance of the object and purposes of such corporation as set forth in section 3 of the Act entitled "An Act to incorporate the Little League Baseball, Incorporated", approved July 16, 1964 (78 Stat. 325).

Mr. HAYS (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.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 2, line 3, strike out "$203,279,000" and insert in lieu thereof "$192,678,000".

Page 2, line 9, strike out "$5,125,000" and insert in lieu thereof "$4,125,000".

Page 2, line 25, strike out "$7,200,000" and insert in lieu thereof "$5,000,000".

Page 3, line 3, strike out "$7,450,000" and insert in lieu thereof "$5,000,000".

Mr. GROSS. Mr. Chairman, my amendment would reduce this bill to the approximate figures for last year. It would reduce the salaries and expenses from the figure in the bill of $203,279,000, to $192,678,000. It would reduce the amount in the bill of $5,125,000 for special international exhibitions, and so on, to $4,125,000, a saving of $1 million. It would reduce the amount in the bill of $7,200,000 for increases in salaries, pay, retirement, or other employee benefits to $5 million, a saving of $2,200,000. It would reduce the figure of $7,450,000 for additional overseas costs resulting from the devaluation of the dollar to $5 million, or a saving of $2,450,000.

Let me say at this point, with respect to devaluation of the dollar, that if we are going to continue to increase the money in all of these bills, including the foreign aid bill, we are going to have nothing but a succession of bills providing funds to take care of the devaluation of the dollar around the world. There is $7,450,000 in this bill to take care of the devaluation of the dollar because Congress has spent far too much for too many years over and above tax revenues and put the dollar in jeopardy. Continue to spend increasing millions for the USIA, and all the rest of these glittering international organizations, as well as institutions here at home and we will have more inflation, more devaluations, and more money spent for taking up the slack due to the devaluation of the dollar.

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

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

Mr. ICHORD. What is the total cut in the gentleman's amendment? How much money will the amendment strike?

Mr. GROSS. About $20 million.

Mr. ICHORD. Mr. Chairman, I commend the gentleman in the well for offering the amendment, and I support the amendment.

Mr. GROSS. I thank my friend from Missouri.

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

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

Mr. MILFORD. I thank the gentleman for yielding. I support the gentleman's amendment, but I will go further and work to defeat the entire bill. I think a quarter of a billion dollars can be spent in a much better way.

Mr. Chairman, I rise to oppose H.R. 9715. This legislation is clearly contributing to our overseas financial outlay to the tune of one quarter of $1 billion. I would question, Mr. Chairman, our need for a massive bureaucratic overseas propaganda machine, as opposed to our need to help our folks at home by reducing deficit spending and inflation.

To me, at this time in our history, we are confronted with many complex problems which demand our attention, our time, and our money. Therefore, we who are in positions of responsibility must question our priorities on the national and international scene. I feel that questions like slum clearance, welfare reform, and pulling into line an already heavily laden national budget demand that propagandizing in foreign countries should rank low in priorities.

It is my considered opinion that the benefits from this program are inaccessible and dubious at best. The original law from which the USIA derives its authority states that its objective is to "promote a better understanding of the United States in other countries." I think that we can look at the past few years when the USIA buildings were sacked and burned and hazard a guess that perhaps we were not exactly accomplishing that goal. I think we can look at our national image throughout the world and conclude that this massive bureaucratic propaganda effort, which employs almost 10,000 people and has spent $1.8 billion over the past 10 years, has been a rather dismal failure. Now we are again asked to dole out one-quarter of a billion dollars for a failing propaganda effort.

Mr. Chairman, I must respectfuly refuse to cooperate with this spending activity.

In my campaign for election to this office, I promised to do everything in my power to cut back on the massive Federal bureaucracies and reduce unnecessary Government spending. I must, therefore, vote against this measure in any form.

Mr. Chairman, what our Nation needs, in all honesty, is not to be sold overseas, but to sell, sell, sell overseas. Then you will see our international "image" and the real respect that made this Nation the grandest in the world restored without gimmicks and tricks. Hardnosed Yankee ingenuity and trading ability are what we need—not some half-cocked propaganda effort.

To me, a healthy economy in a nation

of people functioning under wholesome and healthy environments would, indeed, be propaganda enough to the nations which USIA attempts to reach.

Thank you, Mr. Chairman.

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

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

Mr. MORGAN. I wonder if the gentleman can tell the House the total cut in the gentleman's amendment of the amount.

Mr. GROSS. The gentleman knows there is $224 million in the bill, and if he will subtract the cuts I have made from the $224 million, he will get the figure, which would be approximately the actual appropriation for the USIA for last year, and that is $206,803,000.

Mr. MORGAN. The figure is about $17 million.

Mr. GROSS. All right, let us say $17 million. I am sure the gentleman would be glad to support a relatively small cut of $17 million in this bill.

Mr. MORGAN. Mr. Chairman, I do not rise to support the cut. I just rise to say I know the gentleman has a firm position of never making any overseas trips and never traveling to any foreign countries or to any of our missions around the world and seeing some of the work of the Agency.

I am a limited traveler myself; I make very few trips overseas. But in many of the countries I have visited I have been surprised at the amount of propaganda they are producing. I would hate to see the gentleman's intention of entirely killing this agency come to fruition because I personally have seen the great job the agency has done around the world in explaining the American way of life and American policy. I think the agency is worth every dime of the money we are asking for today.

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 take this time only to respond to my friend, the gentleman from Pennsylvania, the chairman of the Committee on Foreign Affairs, and to say to him I really do not need to take any foreign junkets as a Member of this Congress to find out that despite all the billions we have spent—some $249.5 billion on foreign aid in all its ramifications since we started in about 1947—we now have fewer friends in the world. I do not need a trip abroad to find out we have fewer friends in the world today than we had then.

Mr. MORGAN. I do not see that it has anything to do with the bill we are talking about today but this agency is helping spread the American way of life around the world.

Mr. GROSS. What is the American way of life? Sometime when it is raining or snowing outside I wish the gentleman would sit down and tell me about the American way of life as well as what constitutes our foreign policy. I do not know.

Mr. MORGAN. I am sure if the gentleman would take some time as do other Members of Congress to travel overseas he would find it helpful in his role as a Representative in the House.

Mr. DERWINSKI. Mr. Chairman, at this moment in time, we ought to be talking about strengthening the USIA—not about saddling it with further and crippling cuts. To be sure, world conditions have changed but the new situation in which we find ourselves is no less challenging than the old—in fact in many ways, our current problems are more complicated. One of the major elements in all this change is the revolution in communications, which means new opportunities for us—but also for those who are discrediting us, intentionally and otherwise.

Let no one believe that, for our competitors, détente means an end to these efforts. Brezhnev stated publicly this spring that successes in peaceful coexistence, as he put it, "do not signify in any way the possibility of relaxing the ideological struggle and the recent output of Soviet propaganda, both domestic and foreign, certainly reflects this view. Since early August, a trend toward greater criticism of the U.S. domestic scene has been noticed, following a lull at the time of the Soviet leaders visit here. Commentaries to Latin America, Africa, and Asia have not toned down Moscow's support for "anti-Western" movements, the "joint offensive against imperialism and capitalism" as the Soviet Party magazine Kommunist called it recently.

The U.S.S.R. of course is not alone in spreading misinformation about us. In the spring, Palestinian terrorists were broadcasting false charges that we were involved in the Israeli raid on Beirut and now others are spreading the falsehood that we played an active role in the Chilean coup. In Western Europe and elsewhere, many TV programs convey an image of America which is distorted in the extreme.

These distortions must be corrected. In part this can be done by presenting a balanced picture of America and its purposes and by explaining our policies and our values. In this connection it is increasingly important to communicate these as well as straight news to people in closed societies—even if this is criticized by some governments as "interference in domestic affairs." On freedom of information we cannot compromise and the criticism itself is a sign of effectiveness. I hope that the recent suspension of the jamming of VOA broadcasts to the U.S.S.R. will provide further opportunities to get our message across.

As has been recognized for many years, meeting all these challenges requires an official information and cultural program. We cannot rely on commercial United States and foreign media to do this vital job for us. They have, obviously, different interests and functions. All major countries have recognized that such a program is increasingly necessary as an instrument of foreign policy and most have greatly expanded their activities in this field. Meanwhile, the budget level requested by the U.S. Information Agency this year represents a decreased staff. In fact, over the last 6 years, USIA has had to reduce its staff by over 20 percent while its operating funds have been effectively reduced during the same period by 16 percent, owing to inflation.

Surely, at the present time, when we as a Nation are facing issues and negotiations which are vital to our people's interest, we can find the means to keep ourselves competitive in this field. I have seen USIA in action in many foreign countries and I know that, given the resources requested, USIA can do the job which has to be done.

Mr. Chairman, I oppose the amendment.

First of all I would like to call to the attention of the Members that generally I tend to agree with the gentleman from Iowa, but I think in offering his amendment the gentleman from Iowa actually demonstrates his support for the agency, because this cut about $17 million out of a budget figure of approximately $224 million. Usually the gentleman from Iowa tries to cut programs by one-third or one-half or three-quarters, and this rather gentle cut would indicate to me that down deep in his heart he knows the Information Agency and the Voice of America do a good job for our country.

In an age when there is greater and greater communication between peoples, I think it would be wrong for the United States to start pulling back in the area of communication. More than ever before we should tell the story of our country and our institutions. These cuts direct themselves to programs which would be adversely affected even though this amendment is not a very deep one.

For example, the gentleman from Iowa would cut $1 million from international exhibitions. What greater and what more effective way do we have of showing the people the virtues of our system of government and our way of life and our economic progress than to put exhibitions in the field?

Some of these cuts are directed at salaries and expenses. We in the Congress have mandated increases in salaries and expenses. There is nothing else the agency can do about it.

The effective administration overseas of agency programs could be very adversely affected by this amendment. I would suggest the chairman of the full committee made a proper point that the gentleman from Iowa who is one of our most dedicated Members, has always been so preoccupied with problems throughout this country and in Washington and in his district that he has not had the time to go oversea and see for himselve the real challenges. I would suggest when one travels about the world he finds the Voice of America is one of the most respected communications media in existence. It is welcomed especially in countries where people might be deprived of their freedom or access to news.

The subcommittee under the gentleman from Ohio (Mr. HAYS) took a good, hard look at this budget request. Some years ago it had an automatic authorization and only the Appropriations Committee worked over this budget.

Under the gentleman from Ohio (Mr. HAYS) we have taken a good, hard look at it, we have conducted a thorough re-

view of every geographical area of the world. The figure that has come out is a good one. I urge rejection of the amendment.

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

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, as a member of the subcommittee I would like to commend the gentleman for his statement and urge that this amendment not be accepted.

I think it is particularly untenable to refuse to face up to the consequences of devaluation. The fact is that there are certain additional expenses which must be paid for in dollars if we are going to meet our obligations as a result of devaluation.

I think it is foolhardy to refuse to accept this, and imagine in some way that we are saving money as a result. I urge defeat of this amendment.

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

Mr. DERWINSKI. I yield to my colleague from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Illinois (Mr. DERWINSKI) and urge defeat of this amendment.

I will just add further that in my opinion, the USIA and its dealings with the foreign press are extremely important in advancing the interests of our Nation.

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

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

Mr. DENNIS. Mr. Chairman, looking at that report on page 3, I notice that it says:

> During hearings on the bill members raised questions as to the worth of the press wireless file in areas such as Western Europe where the local press provides excellent coverage of the American scene. The Advisory Commission of Information, a body of five members appointed by the President and subject to Senate confirmation, has recommended a thorough review of the various publications produced by USIA. The committee believes that extensive savings could be effected through a careful and complete examination of these two activities. It will consider the results and recommendations at a future time.

I wonder, in view of that language, why the rather modest cut proposed by the gentleman from Iowa might not well be applied to that very point.

Mr. DERWINSKI. Mr. Chairman, may I point out to the gentleman that in the process of these hearings we told the executives of the Agency to further justify those figures and come back before us.

Also, the gentleman must keep in mind that the authorization machinery, and much more so, the appropriation machinery, is running far behind schedule. If we were to take drastic action in a meat ax fashion and cut off any part of the operation, there would be a damaging effect in the administrative responsibilities to face in the remaining 9 months of the Federal fiscal year. Our committee emphasized that in this concern over what might be termed overabundance of material in Western Europe, they make a very effective counterargument of the fact that it is in Western Europe where we are so often taken for granted and have to marshal our people and resources to tell our story.

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

Mr. Chairman, in my opinion this amendment would do very serious damage to the ability of the U.S. Information Agency to carry out its mission. I serve on the appropriations subcommittee handling the appropriations for the U.S. Information Agency under the very able chairmanship of my colleague from New York (Mr. ROONEY) who has done an excellent job. I am delighted to see that he is on the floor today.

I think if the Members read our hearings, they will see that we do go into great detail into the activities of the U.S. Information Agency. I submit to the Members that we have some great people serving us abroad in this Agency. Not only do we have some outstanding men serving us abroad, but we have some wonderful wives working alongside their husbands in some very difficult and trying positions.

I submit also that I believe that the Voice of America is doing a commendable job. As the Members know, the Soviet Union has been jamming the Voice of America, and I believe just recently lifted jamming of the Voice of America. To me, that is eloquent testimony in itself of the impact of this Agency.

I have just had the opportunity during the August recess to visit several of our areas in Europe and Eastern Europe. As a member of this subcommittee, I believe it is a responsibility that I do have, as other members do have, to get around the world and see the activities we are supporting here in the best interests, I say, of all the American people.

During this trip I visited the countries of Belgium, Holland, Finland, Poland, Czechoslovakia and Bulgaria. I visited cultural centers. I visited libraries in which we have cooperation from local people and our own people. One can go to our embassy in Warsaw and see the displays in front of our embassy and see the number of people attracted to them.

If the gentleman does not believe that, he can go to Sofia in Bulgaria. There he will find hundreds of people looking at our displays at the Embassy. It happened to be a space display, that is giving us, I believe, prestige and image.

I disagree violently with my good friend and colleague, that the U.S. image abroad is not good. I find that there is great respect for the U.S. Government in most every place I have been.

So far as the reduction is concerned, our people serving abroad have been faced with the problem of devaluation, and in many areas with increasing inflation, and inflation that is far greater than anything we know about here in the United States. In most of Europe inflation runs at least 10 percent per year. This has an impact on sending their children to school and it has an impact on their own living in those countries.

I believe the least we can do is to provide them with a decent opportunity to provide for themselves and their children while they are there.

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

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

Mr. SYMMS. I thank the gentleman for yielding.

In the trips abroad, did the gentleman observe how much the USIA is doing so far as promoting the free market ideas of the United States is concerned?

Mr. CEDERBERG. The U.S. Information Agency is working in cooperation with the commercial officers. It is the commercial officers within the Agency who are fundamentally charged with this responsibility. I can say that they are doing well.

The language ability of these people is growing every day. I can remember, and I am sure the gentleman from Ohio can remember, when we really did not have much language capability either in the Foreign Service or in the USIA. I find now that in many areas with very difficult languages the husband and the wife both can converse in the language of the country. If the gentleman does not believe this is important, he ought to go over there to see.

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

Mr. CEDERBERG. I yield further.

Mr. SYMMS. A question I have often been concerned about is whether we are doing anything abroad through the USIA, such as promoting the distribution of the Sears, Roebuck catalog or the Montgomery Ward catalog, so that the people over there can see what we have over here.

Mr. CEDERBERG. We are doing a lot of that.

I was at the Trade Fair at Plovdiv, Bulgaria. The title of that Trade Fair was "Auto, U.S.A."

I can tell the gentleman, and I will tell him privately, some of the impact on some of the officials there. We had 9,800 people go through our pavilion before noon opening day. We had to close it at noon, because we were having a fair reception.

I will say this with all sincerity. The gentleman from Iowa, a Member of the Committee on Foreign Affairs, makes a very serious mistake in not going over there and seeing the contribution that some of these people are making, because it has an impact on Iowa and it has an impact on our farm commodities and all of that. I just believe the amendment would be a tragic mistake.

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

Mr. CEDERBERG. I yield to the gentleman from Maryland.

Mr. GUDE. I certainly want to commend the gentleman. I should like to associate myself with his remarks, and especially what he has outlined as of great benefit to the United States. I should also like to say that many of our great ethnic groups of our country also realize the importance of UOA and USIA.

For example, it is indeed heartening

and a source of great comfort to such groups as Baltic Americans to know that their brethren in Lithuania, Latvia, and Estonia are receiving information and news from the free world via the Voice of America. These broadcasts help keep alive the hopes of the Baltic people for national independence and a democratic way of life. Americans with friends and relatives abroad well appreciate the work of USIA and the Voice of America, many having at one time been their direct beneficiaries. I oppose this amendment, and urge my colleagues' careful consideration of the great benefits which accrue both here and abroad from the many fine programs of the U.S. Information Agency.

Mr. CEDERBERG. Let me just give an example.

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

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

Mr. CEDERBERG. Mr. Chairman, let me give an example of the Voice of America. I met with the Deputy Foreign Minister of Poland, and it happened to be the very day that Henry Kissinger was nominated to be the Secretary of State. I met with him in his office that morning and he said, "You know, every night before I go to bed I always listen to the news on the Voice of America, and for some reason I was tired last night and I missed it. What happened," he said, "was that I was being driven to work today, by my driver—" incidentally they have drivers over there, too—"and my driver asked me what I thought about the news." He said, "I missed it and I turned on the radio so that I could get the news. I missed it that one time that I failed to listen to the Voice of America."

At one time he was Ambassador to the United States from Poland.

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

Mr. CEDERBERG. I yield to my good friend from Iowa.

Mr. GROSS. The gentleman suggests I should join him in junketing around the world?

Mr. CEDERBERG. I would be delighted to have the gentleman join me.

Mr. GROSS. Let me say to the gentleman that I probably could have made a trip to Moscow every other week, and the fact that I was there would not have averted the "sweetheart" wheat deal that was made last year.

Mr. CEDERBERG. That could well be true, but I can tell the gentleman we are never too old to learn. I would hope that the gentleman, in the days he has remaining in the Congress, would take advantage of this. I am very serious about it, because I believe it is a very important and necessary thing.

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

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

Mr. DENNIS. I am not so concerned about this $17 million one way or the other, but I know the gentleman serves on the Committee on Appropriations. We are all worried about cutting expenses.

Now, the big expenses are those things such as education, housing, welfare, social services, and defense. They are all very important. When we try to cut them, it is very, very difficult.

Mr. Chairman, I wish to ask the gentleman, where and how are we going to do any cutting at all unless we begin with these sort of fringe areas such as we are dealing with here?

Mr. CEDERBERG. Mr. Chairman, let me tell the gentleman that as far as these agencies are concerned, I can assure him that I hope we will live within the budget which has been presented by the President, and we can live within that in respect to all the agencies.

I do not happen to believe that anybody is trying to cut the increase.

What we are trying to do is determine what the increase is going to be over last year. I believe that if we cut this to last year's figure, we will be doing a very violent disservice to this agency, and this is an agency which does not deserve such treatment.

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

Mr. Chairman, I rise for the purpose of asking the gentleman from Illinois (Mr. DERWINSKI) a question. I was not quite satisfied with the answer I got previously. The point is a little vague in my mind in relation to the points made by the gentleman from Michigan.

How much advertising goes on in these radio stations overseas. I have never had the opportunity to be over there and hear or see the USIA in action.

Mr. DERWINSKI. Will the gentleman yield?

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

Mr. DERWINSKI. Does the gentleman mean commercial advertising?

Mr. SYMMS. Yes, Commercial advertising—the kind we use in free enterprise.

Mr. DERWINSKI. None. This is in the nature of information, entertainment, and feature stories.

Mr. SYMMS. There is no advertising of American products?

Mr. DERWINSKI. No. That would be a practical use of the agency.

Mr. SYMMS. Mr. Chairman, let me ask the gentleman this question:

Would the gentleman not believe that if we would leave some of this money in the hands of private citizens and allow them to promote their products abroad, it would be beneficial and we would get more return from this people-to-people relationship instead of this bureaucrat-to-bureaucrat relationship that we always seem to develop?

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman for asking me this question, because I know that he will be voting with me against this amendment when he understands this.

The main purpose of this communication agency, first of all, to tell truthful stories of world events, especially as they relate to the U.S. image all over the world. This is an abnormally complex assignment.

Just to give the legitimate input of the news, just to penetrate the Iron Curtain, just to tell the exact story of what goes on in the United States takes time. It is not a question, when we speak of advertising, of advertising commercial products; it is educational material as well.

Mr. SYMMS. Mr. Chairman, I would just like to ask the gentleman:

If it makes too much sense to do this, but if our foreign policy advocates and our USIA would just promote Sears & Roebuck catalogs, for instance, would this not tell the American story about as graphically as anything that could happen? If we would put one of those on every newsstand in Russia and China, perhaps we would not have to be concerned about fighting them; we could simply bomb them with Sears Roebuck catalogs, and watch the reaction.

Mr. DERWINSKI. Mr. Chairman, one of the cuts offered by the gentleman from Iowa would adversely affect our presentation of exhibitions. These exhibitions are held to show American products, they put them on display in the countries, and generally after they are displayed, they have followup sale orders.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for his answer, and I appreciate his answer.

I will just say that I believe the point has been missed by the Members of this committee in relation to the amendment offered by the gentleman from Iowa. If the money is just left at home in the hands of our taxpayers, perhaps our business community and our private citizens would be able to promote their own products and help our balance of payments and spread the truth through people-to-people communications rather than through this Government participation all the time.

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

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

Mr. DERWINSKI. Mr. Chairman, I will answer the gentleman and say that this is not the Government; this is communication with people.

Mr. SYMMS. Then why are we taxing the American people to pay for this?

Mr. DERWINSKI. We are not taxing the American people; we are helping to sell America.

I look upon this program as one of the most valuable uses of public funds. The gentleman knows that I am not a wild-eyed spender. I believe, if anything, that this program is probably budgeted too low.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for his answers.

I will just say to the gentleman that I know he is not a wild-eyed spender. However, I do believe that we are missing the point here in that we do not allow for the provision of private enterprise to sell their products abroad. If we would do this, we would get more good from our foreign policy in less time than all of our Government activity has gained.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto cease in 5 minutes.

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

There was no objection.

Mr. WHALEN. Mr. Chairman, I rise in

opposition to the Gross amendment. As the world moves into a new era, characterized by changing relationships and more complex problems requiring broad cooperation and long-range negotiations, I believe that more than ever we need to communicate to others an account of ourselves—our policies, our society, our basic purposes. This need is highlighted by the revolution in communications which has dramatically expanded the capacity of people to receive information—and consequently the role of public opinion—in many parts of the world.

In this light, an official informational and cultural program is the opposite of "anachronistic," as is recognized by most major countries which devote proportionately more resources to such activities than we do. As the times change, so do the programs and the techniques. Thus USIA has recently been putting much more emphasis on economic issues as well as related problems of energy, the environment and other challenges of a modern society.

In the economic sphere, the USIA is engaging in an accelerated effort, in close coordination with other government agencies, to find the best means of enhancing understanding and support of our economic policies and interests—trade, monetary, and the rest. It is supporting the U.S. Travel Service in its tourism efforts. In collaboration with U.S. trade centers and with American business abroad it is assisting in the promotion of U.S. exports. It has launched a new quarterly—"Economic Impact"—to reach persons abroad who are influential in this field. It is using new techniques such as special thematic programs—a multimedia approach by information centers built around an important theme—and "electronic dialogues" between U.S. officials and key groups abroad, combining videotape recordings with direct telephone hookups for two-way discussion of issues.

On June 25, 1973, I had the privilege of participating in such a dialog. Through the medium of a film made in Washington I addressed 15 economists from four North German States and Denmark who gathered in Hamburg at the invitation of our Consul-General, John A. Brogan III. This meeting was chaired by our Embassy Minister-Consular for Economic Affairs, Charles G. Wootton, and was cosponsored by the Hamburg State Ministry of Economics and the Hamburg Institute for International Economics. After viewing this film, these economists, representing government, commerce, academia and the media, questioned me via transatlantic telephone.

As a former economics professor I have, of course, a particularly strong interest in these matters. However, it requires no special knowledge to see that economic issues—and the cooperation of other countries in their resolution—touch the vital interests of all our people. I think most of us would regret the damage to efforts in this and other spheres to gain international understanding and support of our position. I, for one, do not doubt that the proposed cuts in USIA's staff and operating funds, superimposed on prior reductions, would constitute such damage—even the level projected by the agency's current request represents a 20-percent staff reduction since 1967 and, allowing for the effects of inflation, a reduction of 16 percent in operating funds over the same period.

Many of us who have traveled abroad have had an opportunity to observe the impact of what people think and know. In my opening remarks at the African-American Legislators' Conference in Lusaka, Zambia, in January 1972, I noted in reference to a particular issue:

> Existing differences between the U.S. and African Governments stemmed primarily from a lack of understanding of our respective aspirations and problems.

Although I said this in a particular place and context, the point is really universal. Informational and cultural programs cannot of themselves solve all our problems in building understanding but they can make an important difference. It would surely be a major mistake to cripple them.

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

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

Mr. DENNIS. I thank my friend from Ohio for yielding.

I am not necessarily opposed to the U.S. Information Agency. I am asking more or less for information rather than as an argument.

I just wonder why with all the old-line agencies we have such as the Department of State, the Consular Service, the Commerce Department, to point out the things you were talking about, private enterprise, individual Americans, and so on, we need to go on proliferating additional specialized new bureaus and why we should not use the old-line departments that we have instead of adding to the budget all the time with these new programs. That is the question.

Mr. WHALEN. I would point out this is not a new agency.

Mr. DENNIS. Well, compared with those I am talking about.

Mr. WHALEN. It is an agency which possesses specialized knowledge and expertise which enables it to handle the job of communication better than some of the existing bureaus and agencies to which the gentleman has referred.

Mr. DENNIS. Yes, but the Department of State and the Department of Commerce certainly far outdate this agency, for instance.

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

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

Mr. CEDERBERG. This agency used to be in the Department of State.

Mr. DENNIS. Why should it not be put back there, then?

Mr. CEDERBERG. It should not be put back there because it has an entirely different kind of mission than your consular officer and Ambassador and so forth. They are under the Ambassador; they work with the Ambassador and other people in the agency. It is altogether different.

Mr. DENNIS. But it is proliferating.

Mr. CEDERBERG. No.

Mr. WHALEN. It possesses the expertise and works with a number of different departments I think it makes sense that this be separated from the Department of State.

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

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 10, noes 48.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HAYS

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

The Clerk read as follows:

> Amendment offered by Mr. HAYS: Page 3, immediately after line 18, insert the following:
>
> SEC. 4. (a) After the expiration of any thirty-five-day period beginning on the date the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives has delivered to the office of the Director of the United States Information Agency a written request that the committee be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of such agency, and relating to such agency, none of the funds made available to such agency shall be obligated unless and until there has been furnished to the committee making the request the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested. The written request to the agency shall be over the signature of the chairman of the committee acting upon a majority vote of the committee.
>
> (b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of the United States Information Agency or to any communication directed by any such officer or employee to the President.

Mr. HAYS. Mr. Chairman, I mentioned this amendment briefly when I presented the bill. As I said then, this is an attempt to informally work out some kind of a compromise between the Senate, which has language in the State Department authorization applying to all of these agencies, and the House.

I am not sure that I can work this agreement out.

I have had some informal talks with a good many people in the administration and other places who think that the sensitive area is the State Department, and I can understand their thinking.

If this amendment is agreed to and the Senate will go along on accepting it on the USIA and AID—and I do not think the USIA or AID, either one, make policy or have any very sensitive information that the Congress could not very well have, I will oppose applying it to the State Department, which they say is the sensitive agency. Then we can perhaps work out a compromise.

I say perhaps. Now, what is the result if we do not? The Senate has already passed the appropriations for State and for USIA, but with an amendment saying that none of this money can be spent unless an authorization is passed. My guess is we might well wind up without any authorization for State or for USIA. If that happens the State

Department would get along on $100 million less, which means they would have to make some drastic cuts, and USIA under a continuing resolution, would get along on the amount contained in the amendment offered by the gentleman from Iowa (Mr. GROSS) which would mean a severe cut.

I am simply trying to work out something in order to get all three of them passed and get them behind us.

I sincerely believe that the Director of the U.S. Information Agency, or AID, has no business withholding information properly requested by a committee.

If the Members paid attention to the reading of my amendment they will see that it is worked out carefully so that no Presidential communications are involved. It is also worked out carefully so that a majority of the committee have to approve the request. I could not send a letter down there, or the gentleman from Pennsylvania (Dr. MORGAN), could not send a letter, and no other individual could. It would have to have a vote by the committee and be approved by the majority.

I will say this: That as chairman of this subcommittee I have not been refused information by the USIA or AID.

I do not think I would be, because I do not make unreasonable requests of them. I received an anonymous letter from an individual down at USIA talking about all of the limousines they had. I sent a letter down last weekend and asked them to list the number of cars and send me up the log on where they had been and who had been in them. I think I sent that letter out on Wednesday night, and the answer was in my office Monday morning.

Since it was innocuous and did not seem to indicate that they had abused the two or three cars that they have, I have attached it to the hearings, because all of the cars they have, according to what they sent me, are a Mercury sedan for the Director and a Ford sedan for the Deputy Director, and two or three other cars which are used to haul around equipment.

I think this is an acceptable way to get out of this dilemma we are in, and get these bills passed. There is another dividend that I hesitate to mention which appeals to me, and it is that with that much more of the business of the House out of the way, we might hope that we can have some kind of adjournment sometime this fall.

I hope that the amendment will be accepted. I will keep my pledge to the Members. If we cannot get an agreement with the Senate on leaving it out of the State Department bin, I will just not agree to bring it in on anything, because we will have that difference between the two bodies.

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

Mr. Chairman, this, I think as far as the House is concerned, is an amendment of first impression. The amendment that we rejected in the State Department conference report about 2 weeks ago came to the House as a Senate amendment, the House had not acted on it, and the Speaker held that it was a nongermane amendment. So this amendment that is now presented is a matter of first impression in the House.

It goes to the very heart of the controversy that has been raging between the Congress and the executive agencies and the President. It presents some real, difficult problems.

I have not had an opportunity to make an investigation about the sensitivity of the materials that are used in the USIA programs. I have a feeling that some of those programs in certain areas or in certain countries are of a rather sensitive nature which perhaps the USIA and the executive might think would be inadvisable to make public. And I have a feeling that almost everything that comes up to the Hill is made public. Therefore, there might be a great deal of opposition to this proposal.

At the same time I have a considerable degree of sympathy for the desires of the gentleman from Ohio to get a resolution of the problems that are involved in the conferences that are being held on the State Department authorization. I certainly do not want to obstruct the successful passage of this bill and the completion of the authorization process.

I have no information that we will not be in another controversy with the President if we add this to the bill. I think it is a subject that needs some very serious, thoughtful research and approach to this issue that is creating untold problems in the Congress and with the Chief Executive, so I am not in any position to accept the amendment.

I have had no one on this side of the aisle come to me and say that they are willing to accept it. I think it is a very serious matter and a matter that perhaps should be considered by the committee before it is presented on the floor of the House. So, Mr. Chairman, I cannot accept the amendment.

I wish we had some forum in which we could resolve these matters where we could get some form of agreement so that we could eliminate the irritations that this type of a proposal presents to us.

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

Mr. THOMSON of Wisconsin. I yield to the gentleman from Ohio.

Mr. HAYS. I will just say to the gentleman from Wisconsin that I am as concerned as he is. I have spent a good deal of time in a good faith effort to try to work out some kind of compromise before we could get all three of these bills passed. I think, as I said, that this may do it. If it does not, I will back off from it in conference.

As I said, that this may do it. If it does not do it, I will back off from it in conference. In other words, if we cannot sell the compromise I described, then I will not buy anything and we will start all over.

As the gentleman perhaps knows, the Senate committee yesterday agreed to report out a new authorization for the State Department including language that none of the funds for the State Department could be spent unless the Senate had sent up to it any information the committee asked for.

This is an attempt on my part to get this solved without having it made applicable to the State Department in it, which we are told the President will veto it and the hassle will last all fall. The House can take it or leave it, but if we do not take it there will be a legislative action which will cut everybody down severely.

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

The gentleman from Wisconsin has pointed out that we rejected language similar to this amendment in the House when the State Department authorization conference report was up. The language we rejected admittedly was broader. This would require the USIA, on the request of the Senate Foreign Relations Committee or the House Foreign Relations Committee, to hand over any information we may want.

It has been suggested that the gentleman from Ohio somehow singlehandedly—and I emphasize the fact that it seems to be singlehandedly—is trying to work out a compromise with the other body. In the first place I would think it would be the responsibility of all the House conferees to work out a conference agreement on a conference report with respect to the State Department authorization. I do not think that the price those House conferees should pay would be to accept a totally objectionable principle.

Whether there would be an effort made to include language that would make it unnecessary for the State Department to hand over sensitive material or not, acceptance of this language would establish a precedent that could easily be used as a basis for demanding that other executive agencies furnish sensitive information. The Senate has already approved such language, and the House has already rejected it.

I would hope also that the threat that there will be no authorization for USIA or the State Department if we should not accept this particular compromise would be one that would be recognized and rejected. It makes no sense in my opinion to say that the USIA is not a sensitive agency. Quite obviously the USIA has access to State Department material. It also receives National Security Council material and it might well be in just as sensitive a position as would be the State Department if a demand could be made upon it peremptorily to which they must respond.

The gentleman from Ohio says he never makes any but reasonable requests. I would just remind him that the Senate Foreign Relations Committee did make a request to the USIA which the President decided should not be honored and the information which they requested was not made available.

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

Mr. FRELINGHUYSEN. I would like to finish and then I will be glad to yield.

Mr. HAYS. The gentleman may never get that done.

Mr. FRELINGHUYSEN. I do not sup-

pose we would be the losers if I did not yield to the gentleman from Ohio (Mr. HAYS).

The Senate has already asked for information which has been refused, so quite obviously this is a sensitive point with the Foreign Relations Committee. The USIA is a sensitive agency—experience has already proved that point. There has been a suggestion made on the floor during the debate that somehow the State Department or high officials of the State Department have given tacit or formal approval to this arrangement under a so-called pledge that the State Department will be not subjected to this kind of demand. I have not been able to contact the Acting Secretary of State personally on this point. However, I have had word from the State Department that there is a positive feeling on the part of the executive branch that this kind of language is undesirable and should be fought.

I think commonsense would suggest that that is the case. I hope that we will not buy a pig in a poke on the suggestion that somehow agreement on a lot of important things hinges on accepting this language. If we swallow that bait, we have lost the battle without securing a reasonable position for the legislature to be taking with respect to the executive branch of Government.

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

Mr. Chairman, I do not want to belabor this. I think the arguments have been made. It was about 8 days ago that we voted on the same issue in the House. If the gentleman's language were more restrictive, I would think we might have something we could discuss, but the way this language is drawn, the committees of the House that are designated here could insist on receiving all documents, any documents in the possession of USIA.

USIA handles as a matter of regular routine, highly sensitive material from both the State Department and NSC. Therefore, we could obtain indirectly what we could not obtain directly if the proposal the gentleman from Ohio has made were accepted.

As I said, I think we would have something to talk about if this were restricted to documents that actually belong to USIA, but when it is anything in their custody, this means anything they have got from any other agency, no matter how sensitive or delicate it would be.

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

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

Mr. HAYS. Mr. Chairman, I would like to make two points. I know the gentleman will be on the conference committee, and will have an opportunity to oppose the language in conference. The second point is that the crux of the debate the other day—and I remember the gentleman's argument very well—most of his argument was directed to the fact that a good deal of the Senate amendment was not germane because it applied to agencies in addition to the State Department. That argument about germaneness came up over and over and over again.

This is germane, and I say that if the gentleman has suggestions about how to make the language more palatable and safer, I certainly would listen to them and I think the conference committee would also.

Mr. MAILLIARD. Mr. Chairman, I appreciate the gentleman saying that, but he and I have been in conference with the Senate Committee on Foreign Relations often enough to know that when we are foolish enough to adopt amendments which they invented, they simply recede and concur before we have time to argue about them at all. That is precisely what will happen in this case, because it was a Senate amendment the gentleman is offering, and if we adopt it there is not any doubt in my mind as to what happens in conference. The Senate conferees collapse at once and we are struck with our own language as written. I do not think there would be any opportunity to change it.

What I am saying is that while ordinarily I would say that documents in nonsensitive areas should be made available and we ought to have provision in law so that we can obtain them—I think there has been much too much withholding of information just for convenience and not for any real reason—when we are talking about this particular agency, we are again dealing in matters that are highly sensitive in connection with some foreign government. We may have reports, for example, from political officers in USIA just as we do in the State Department, where the information is delicate and we would not want to see it spread on the pages of a newspaper or getting back to certain other governments.

I think that confidentiality in the field of foreign affairs is a very essential part of conducting relations between nations. I think that unless we can get language which spells out more clearly what kind of information and what kind of documents could be obtained under the circumstances, this amendment really should be rejected.

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

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

Mr. MILFORD. Mr. Chairman, the gentleman has kind of thrown me here just for a moment. If the purpose of USIA is to spread truth around the world, as has been stated on this floor, why would any security agencies be so involved in this, or why would there be any sensitive material that a Member of Congress should not have ready access to?

Mr. MAILLIARD. I would say to the gentleman that in my opinion in the normal business of the USIA there should be nothing they would feel necessary to conceal from a committee of the Congress. But I can see interrelationships among various Government activities abroad, which could bring into play certain things in the making of decisions as to what kind of emphasis to give in a particular country, which might get involved in the personalities of the leadership of a particular country and a lot of things they just should not be spreading upon the public record.

Mr. MILFORD. One of the concerns I have about this bill, and the main reason why I believe I will vote against it, is because of the action of security agencies, wherein the purpose of this agency was completely distorted. One means of protecting against that would be by the amendment on the floor at this time.

Mr. MAILLIARD. The gentleman is entitled to his views. I would be the last to say that there has not been activity on the part of this agency in days gone by of which I did not approve. I do not know of any currently. Still, I believe there is a basic principle involved here, and we ought to be very sure we know what we are doing. When we use language which says we can get any document in the custody of that agency, no matter what its classification or from where it came, I believe that is going too far.

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

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

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

Mr. HAYS. Mr. Chairman, we are getting right down to the crux of the matter. That is, does the Congress have the right to know what this agency is disseminating to other countries, or not? That is just about what it amounts to.

As an example of how ridiculous they can get, when they came before the subcommittee, and we asked the Director what he wanted with the $16 million, he said it was to build a new radio station. We asked, "Where?" and he said, "I cannot tell you; that is top secret and sensitive."

I happen to read the newspapers once in a while, and I had read in the Washington Post that they were going to build it in Korea. I said, "Well, it has been in the Washington Post. Do you mean that you cannot tell us?" He said, "No, I cannot tell you." I asked, "Would you want to comment on whether the Washington Post was right or wrong?" And he said, "Well, it was right."

How far around the barrel do we have to go to get information out of these agencies?

I am not trying to destroy the agency. I had one of the top men from the State Department in my office, and he said, "You have been one of the best friends I have had up here." I should be. I gave them everything they asked for.

I can understand what the gentleman from New Jersey (Mr. FRELINGHUYSEN) had to say, for he was not in on the conference, and that is his normal reaction.

I find it difficult to communicate with the gentleman from New Jersey (Mr. FRELINGHUYSEN). I was talking with a high Government official one time, and he said, "I lived in his hometown when I was a boy and one time I wanted him to come out to play baseball, and the butler said, 'Master Petar cannot come out; he is in the bawth.' "

That is about the kind of answer I get every time I try to get in touch with him.

I really do not try to communicate with him very much. I am sorry, but it is not easy, when one has to go through the butler.

I state that the Congress has certain rights. If we are going to legislate about this agency and if we are going to appropriate $224 million this year, and it goes up every year, I believe we have a right to know what they are doing and what they are spending the money for and what they are telling other people about America. We even have a right to know where they are going to build their next radio station.

Mr. KAZEN. Mr. Chairman, I rise in support of the amendment. I cannot understand why, if this agency is an information distribution agency and they are going to distribute whatever information comes into their possession to people all over the world, the Congress of the United States should not have access to the same information or to their activities.

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

Mr. Chairman, may I first say that this has been a very fine debate, in fact, more than a fine debate—an excellent debate.

After listening to the gentleman from Ohio (Mr. HAYS), especially in his second statement which he made just a moment ago, I can well understand why he is unbeatable in his district, because, apparently, he can demolish any opponent who attempts to debate him.

I would just like to suggest, after listening to the entire debate, that the arguments just advanced by the gentleman were not all those which were advanced when he first proposed it.

I suggest that what we saw was a brilliant display of oratory, not logic in support of the amendment.

Mr. Chairman, let me just point out one or two items. I say this, regardless of the problems which our House conferees generally have with their Senate counterparts. And believe me, any of the Members who serve on any other committee and who think they have problems with their Senate counterparts, have no problems at all, compared to the headaches which the gentleman from Pennsylvania, Dr. MORGAN, and the gentleman from Ohio, Mr. HAYS, face when they are dealing with the members on the Senate Committee on Foreign Relations.

Notwithstanding that, just 8 days ago there was a clear-cut vote in this House on this subject. This amendment in effect, raises that same issue.

Furthermore, since I try to be objective, I listened to the gentleman's original argument for his amendment, and one of the things the gentleman said—and I will agree completely with him—was that he and the gentleman from Pennsylvania, Dr. MORGAN, would very judiciously use this authority which they would be granted under this amendment in calling upon a majority of the committee to request information.

Mr. Chairman, I know they would. They are two of the finest, honorable, gentlemen in the House. But could the same thing be said of the chairman of the Senate Committee on Foreign Relations? How would he use or abuse the authority he would have under this amendment?

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

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

Mr. HAYS. Mr. Chairman, the gentleman knows that I have to be judicious in the subcommittee, because normally there are more Republicans there than there are Democrats, so with the vote of the subcommittee, I would not have too much authority.

Mr. DERWINSKI. Mr. Chairman, the gentleman will admit that the Republicans have been very judicious, and we have not tried to use our majority that have been in attendance.

Let me say, by the way—and this is just a personal point that must be injected—that I appreciate the very friendly nature of the disagreements which occasionally surface between the gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentleman from Ohio (Mr. HAYS), and I know that the two of them are as close as any friends we have in the Congress. They occasionally convey areas of disagreement that do not seriously exist.

Mr. Chairman, may I also say that the gentleman from Ohio is always one of the calmest, most polite and most proper Members of the House except for those rare instances where he shows just a bit of temper, but that is so rare that I would say we may certainly forget it. The gentleman is certainly one of the fairest Members, and I appreciate the fact that he has so astutely handled this bill up to this point, except for this amendment.

I really suggest that the vote of 8 days ago should cover the conditions which exist today, and I would suggest that we reject this amendment.

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

Mr. DERWINSKI. I yield to my distinguished chairman, the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I wish to disagree with the last statement made by the gentleman from Illinois, because the vote the other day, on the State Department authorization, covered a number of other agencies.

Now, if the conferees on June 29, when we settled this conference, had limited the provision to the State Department and eliminated all the rest under the Speaker's ruling, those two points of order made by the opposition last week on this bill would not have been in order and this amendment would have been in the State Department authorization.

Mr. DERWINSKI. But supposedly the gentleman from Ohio (Mr. HAYS) did emphasize his position which is to guarantee individual Congressmen and members of the committee that they would receive information requested from the USIA. I have never had an instance, from 1959 up to today, when I did not receive specific scripts of a VOA broadcast or a USIA release that I requested. I have never had anything but cooperation, and have received all the information that was requested. I do not think they should be charged with deliberately, as a matter of policy, withholding substantial information from Congress.

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

Mr. Chairman, I am not a member of the distinguished Committee on Foreign Relations. I had no anticipation of participating in a debate on this subject this afternoon; but the matter before us is not really a parochial matter for the distinguished Committee on Foreign Relations. The matter before us involves a very important point of constitutional law which concerns every Member of this Congress and on which I respectfully submit we ought not to act hastily on this bill or any other bill.

This is, indeed, exactly the amendment which was voted down the other day on the State Department appropriation bill.

Now, as far as I am concerned, and I imagine as far as most of you are concerned, I did not vote that down primarily on a point of order or on a matter of germaneness or anything of that kind.

I think it is a very fundamental question and a nonpartisan question, too, if you will. It is one we ought not to try to decide off the cuff on amendments of this character.

The question is as between the executive and the legislative branches, where and when, if at all, the so-called doctrine of executive privilege applies and when the Congress is entitled to get information.

It is a big question. It has been with us for 200 years and it is going to be with us after we have a Democrat in the White House again and maybe a Republican Congress. We ought to look at it from that point of view.

Now, as I pointed out, or tried to point out, in debate the other day, there are ways to get at this thing. It should not be done with the meat ax approach of trying to cut off money nor as a bargaining business that, "I will pass this bill if you pass that."

We ought to have some fundamental law on it and try it on a question of principle.

There is a statute on the books right now, today, which gives the Committee on Government Operations or a majority of its members a right to have information they should have or request.

I have a bill prepared—and the only reason it is not in the hopper is because I am getting some of the legal lights to pass on its technical points—which would extend that same statute to every committee of the Congress.

I think we ought to have it, and I would add to that statute a court procedure, if there is an executive refusal, for getting the documents and having the courts determine in these cases, when they come along, whether this is a properly privileged matter or whether it is not.

Now, I suggest to you that is the way, and it is the only respectable way, to resolve this kind of a question.

We should not try to decide it on this amendment today any more than we tried to decide it on the amendment the other day. We should decide this ques-

tion on the basis of principle and common sense. I appeal to those on both sides of the House, let us get at this problem but let us get at it the right way and let us turn this amendment down.

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

Mr. DENNIS. Of course, I yield to the gentleman.

Mr. HAYS. I would support the gentleman's bill. The gentleman must know, as well as I do, that if the bill passes and it is vetoed, there is no way in the world in this House that we can pass anything over a veto.

Mr. DENNIS. Well, I do not know. I have voted to override before, and I might again on something like that.

Let us give the ordinary parliamentary processes a chance instead of, if you will pardon the language, horsing around this way on this type of an amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HAYS).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 35, noes 34.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 178, not voting 16, as follows:

[Roll No. 466]

AYES—240

Abzug	Danielson	Holifield
Adams	Davis, Ga.	Holtzman
Addabbo	Davis, S.C.	Howard
Alexander	de la Garza	Hungate
Anderson, Calif.	Delaney	Ichord
Andrews, N.C.	Dellums	Johnson, Calif.
Annunzio	Denholm	Jones, Ala.
Ashley	Dent	Jones, N.C.
Aspin	Diggs	Jones, Tenn.
Badillo	Dingell	Jordan
Bafalis	Donohue	Karth
Barrett	Dorn	Kastenmeier
Bauman	Downing	Kazen
Bennett	Drinan	Kluczynski
Bergland	Dulski	Koch
Bevill	Eckhardt	Kyros
Biaggi	Edwards, Calif.	Landrum
Biester	Eilberg	Leggett
Bingham	Erlenborn	Lehman
Blatnik	Eshleman	Long, La.
Boggs	Evins, Tenn.	Long, Md.
Boland	Fascell	McCloskey
Bolling	Flood	McCormack
Bowen	Flowers	McFall
Brademas	Flynt	McKay
Brasco	Foley	McSpadden
Breaux	Ford, William D.	Macdonald
Breckinridge	Fountain	Madden
Brinkley	Fraser	Mahon
Brooks	Fulton	Mann
Brotzman	Gaydos	Mathis, Ga.
Brown, Calif.	Gettys	Matsunaga
Burke, Calif.	Giaimo	Mazzoli
Burke, Mass.	Gibbons	Meeds
Burlison, Mo.	Ginn	Melcher
Burton	Gonzalez	Metcalfe
Byron	Grasso	Mezvinsky
Carey, N.Y.	Gray	Milford
Carney, Ohio	Green, Oreg.	Minish
Casey, Tex.	Green, Pa.	Mink
Chappell	Griffiths	Mitchell, Md.
Chisholm	Gross	Moakley
Clancy	Gunter	Mollohan
Clark	Haley	Montgomery
Clay	Hamilton	Moorhead, Pa.
Cleveland	Hanley	Morgan
Collins, Ill.	Hanna	Moss
Conlan	Hanrahan	Murphy, Ill.
Conyers	Hansen, Wash.	Murphy, N.Y.
Corman	Harrington	Natcher
Cotter	Hays	Nedzi
Culver	Hechler, W. Va.	Nix
Daniel, Dan	Helstoski	Obey
Daniels, Dominick V.	Henderson	
	Hicks	
O'Hara	Rosenthal	Symms
O'Neill	Rostenkowski	Taylor, N.C.
Owens	Roush	Teague, Tex.
Patten	Rousselot	Thompson, N.J.
Pepper	Roybal	Thornton
Perkins	Runnels	Tiernan
Pickle	Ryan	Udall
Pike	St Germain	Ullman
Poage	Sarbanes	Van Deerlin
Podell	Satterfield	Vanik
Preyer	Schroeder	Vigorito
Price, Ill.	Seiberling	Waggonner
Randall	Shipley	Waldie
Rangel	Sisk	White
Rarick	Slack	Whitten
Rees	Smith, Iowa	Wilson, Charles H., Calif.
Reid	Staggers	Wolff
Reuss	Stark	Wright
Riegle	Steed	Yates
Roberts	Stephens	Yatron
Rodino	Stokes	Young, Ga.
Roe	Stratton	Young, Ill.
Rogers	Stubblefield	Young, Tex.
Roncalio, Wyo.	Stuckey	Zablocki
Rooney, N.Y.	Studds	
Rooney, Pa.	Sullivan	
Rose	Symington	

NOES—178

Abdnor	Grover	Price, Tex.
Anderson, Ill.	Gubser	Pritchard
Andrews, N. Dak.	Gude	Quie
Archer	Guyer	Quillen
Arends	Hammer-schmidt	Railsback
Armstrong	Harsha	Regula
Ashbrook	Harvey	Rhodes
Baker	Hastings	Rinaldo
Beard	Hébert	Robinson, Va.
Bell	Heckler, Mass.	Robison, N.Y.
Blackburn	Heinz	Roncallo, N.Y.
Bray	Hinshaw	Ruppe
Broomfield	Hogan	Ruth
Brown, Mich.	Holt	Sandman
Brown, Ohio	Horton	Sarasin
Broyhill, N.C.	Hosmer	Saylor
Broyhill, Va.	Huber	Scherle
Buchanan	Hudnut	Schneebeli
Burgener	Hunt	Sebelius
Butler	Hutchinson	Shoup
Camp	Jarman	Shriver
Carter	Johnson, Colo.	Shuster
Cederberg	Johnson, Pa.	Sikes
Chamberlain	Jones, Okla.	Skubitz
Clausen, Don H.	Keating	Smith, N.Y.
Clawson, Del	Kemp	Snyder
Cochran	Ketchum	Spence
Cohen	King	Stanton, J. William
Collier	Kuykendall	Steele
Collins, Tex.	Landgrebe	Steelman
Conable	Latta	Steiger, Wis.
Conte	Lent	Talcott
Coughlin	Lott	Taylor, Mo.
Crane	McClory	Teague, Calif.
Cronin	McCollister	Thomson, Wis.
Daniel, Robert W., Jr.	McDade	Thone
Davis, Wis.	McKinney	Towell, Nev.
Dellenback	Madigan	Treen
Dennis	Mailliard	Vander Jagt
Derwinski	Mallary	Veysey
Devine	Maraziti	Walsh
Dickinson	Martin, Nebr.	Wampler
Duncan	Martin, N.C.	Ware
du Pont	Mathias, Calif.	Whalen
Edwards, Ala.	Mayne	Whitehurst
Esch	Miller	Widnall
Evans, Colo.	Minshall, Ohio	Wiggins
Findley	Mitchell, N.Y.	Williams
Fish	Mizell	Wilson, Bob
Fisher	Moorhead, Calif.	Winn
Ford, Gerald R.	Mosher	Wyatt
Forsythe	Myers	Wydler
Frelinghuysen	Nelsen	Wylie
Frenzel	Nichols	Wyman
Frey	O'Brien	Young, Alaska
Froehlich	Parris	Young, Fla.
Fuqua	Passman	Young, S.C.
Gilman	Pettis	Zion
Goodling	Peyser	Zwach
	Powell, Ohio	

NOT VOTING—16

Burke, Fla.	Litton	Roy
Burleson, Tex.	Lujan	Stanton, James V.
Goldwater	McEwen	Steiger, Ariz.
Hansen, Idaho	Michel	Wilson, Charles, Tex.
Hawkins	Mills, Ark.	
Hillis	Patman	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BRINKLEY, 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. 9715) to authorize appropriations for the U.S. Information Agency, pursuant to House Resolution 548, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 305, nays 108, not voting 21, as follows:

[Roll No. 467]

YEAS—305

Abdnor	Collier	Gubser
Abzug	Collins, Ill.	Gude
Adams	Conte	Gunter
Addabbo	Corman	Guyer
Alexander	Cotter	Hamilton
Anderson, Calif.	Coughlin	Hammer-schmidt
Anderson, Ill.	Cronin	Hanley
Andrews, N.C.	Culver	Hanna
Andrews, N. Dak.	Daniels, Dominick V.	Hanrahan
Annunzio	Danielson	Hansen, Wash.
Ashley	Davis, Ga.	Harvey
Aspin	Davis, S.C.	Hastings
Badillo	de la Garza	Hays
Baker	Delaney	Hébert
Barrett	Dellenback	Heckler, Mass.
Beard	Dent	Heinz
Bell	Derwinski	Helstoski
Bergland	Dickinson	Henderson
Bevill	Diggs	Hicks
Biaggi	Dingell	Hogan
Biester	Donohue	Holifield
Bingham	Drinan	Howard
Blatnik	Dulski	Hunt
Boland	Duncan	Johnson, Calif.
Bolling	du Pont	Johnson, Pa.
Bowen	Edwards, Ala.	Jones, Ala.
Brademas	Edwards, Calif.	Jones, N.C.
Brasco	Eilberg	Jones, Tenn.
Breaux	Erlenborn	Jordan
Breckinridge	Esch	Karth
Brinkley	Eshleman	Kazen
Brooks	Evans, Colo.	Keating
Broomfield	Evins, Tenn.	Kemp
Brotzman	Fascell	Kluczynski
Brown, Calif.	Findley	Koch
Brown, Mich.	Fish	Kuykendall
Broyhill, N.C.	Fisher	Kyros
Broyhill, Va.	Flood	Landrum
Buchanan	Flowers	Latta
Burke, Calif.	Flynt	Leggett
Burke, Mass.	Foley	Lent
Burton	Ford, William D.	Long, La.
Byron	Fountain	Long, Md.
Carey, N.Y.	Fraser	Lott
Carney, Ohio	Frenzel	McClory
Casey, Tex.	Frey	McCloskey
Cederberg	Gaydos	McCormack
Chamberlain	Gettys	McDade
Chappell	Giaimo	McFall
Chisholm	Gibbons	McKay
Clancy	Ginn	McKinney
Clark	Gonzalez	Madden
Clausen, Don H.	Grasso	Mahon
Clay	Gray	Mallary
Cleveland	Green, Oreg.	Mann
Cochran	Green, Pa.	Martin, N.C.
Cohen	Griffiths	Mathias, Calif.
	Grover	Mathis, Ga.
		Matsunaga

Mayne	Reuss	Talcott
Mazzoli	Riegle	Taylor, Mo.
Meeds	Rinaldo	Taylor, N.C.
Melcher	Robison, N.Y.	Teague, Calif.
Metcalfe	Rodino	Teague, Tex.
Mezvinsky	Roe	Thompson, N.J.
Minish	Roncalio, Wyo.	Thomson, Wis.
Mink	Roncallo, N.Y.	Thone
Mitchell, Md.	Rooney, Pa.	Thornton
Mitchell, N.Y.	Rose	Tiernan
Moakley	Rosenthal	Udall
Mollohan	Rostenkowski	Ullman
Montgomery	Roush	Van Deerlin
Moorhead, Pa.	Roybal	Vander Jagt
Morgan	Ryan	Vanik
Mosher	St Germain	Veysey
Moss	Sandman	Vigorito
Murphy, Ill.	Sarasin	Waggonner
Murphy, N.Y.	Sarbanes	Waldie
Natcher	Schneebeli	Walsh
Nedzi	Seiberling	Wampler
Nelsen	Shipley	Ware
Nichols	Shriver	Whalen
Nix	Sikes	White
Obey	Sisk	Whitehurst
O'Hara	Skubitz	Widnall
O'Neill	Slack	Williams
Parris	Smith, Iowa	Wilson, Charles H., Calif.
Passman	Smith, N.Y.	
Patten	Spence	
Pepper	Stanton, J. William	Winn
Perkins		Wolff
Peyser	Stanton, James V.	Wright
Pickle		Wyatt
Pike	Stark	Wydler
Podell	Steed	Wyman
Preyer	Steele	Yates
Price, Ill.	Steelman	Yatron
Pritchard	Stephens	Young, Fla.
Quie	Stokes	Young, Ga.
Quillen	Stratton	Young, Ill.
Rangel	Stubblefield	Young, Tex.
Rees	Stuckey	Zablocki
Regula	Sullivan	Zion
Reid	Symington	Zwach

NAYS—108

Archer	Goodling	Myers
Arends	Gross	O'Brien
Armstrong	Haley	Owens
Ashbrook	Harrington	Patman
Bafalis	Harsha	Pettis
Bauman	Hechler, W. Va.	Poage
Bennett	Hinshaw	Powell, Ohio
Blackburn	Holt	Price, Tex.
Bray	Holtzman	Randall
Brown, Ohio	Horton	Rarick
Burgener	Hosmer	Rhodes
Burlison, Mo.	Huber	Roberts
Butler	Hudnut	Robinson, Va.
Camp	Hungate	Rogers
Carter	Hutchinson	Rousselot
Clawson, Del	Ichord	Runnels
Collins, Tex.	Jarman	Ruppe
Conable	Johnson, Colo.	Ruth
Conlan	Jones, Okla.	Satterfield
Conyers	Kastenmeier	Saylor
Crane	Ketchum	Scherle
Daniel, Dan	King	Schroeder
Daniel, Robert W., Jr.	Landgrebe	Sebelius
	Lehman	Shoup
Davis, Wis.	McCollister	Shuster
Dellums	McSpadden	Snyder
Denholm	Macdonald	Steiger, Wis.
Dennis	Madigan	Studds
Devine	Mailliard	Symms
Dorn	Maraziti	Towell, Nev.
Downing	Martin, Nebr.	Treen
Ford, Gerald R.	Milford	Whitten
Forsythe	Miller	Wiggins
Frelinghuysen	Minshall, Ohio	Wilson, Bob
Froehlich	Mizell	Young, Alaska
Fuqua	Moorhead, Calif.	Young, S.C.
Gilman		

NOT VOTING—21

Boggs	Hillis	Roy
Burke, Fla.	Litton	Staggers
Burleson, Tex.	Lujan	Steiger, Ariz.
Eckhardt	McEwen	Wilson, Charles, Tex.
Fulton	Michel	
Goldwater	Mills, Ark.	Wylie
Hansen, Idaho	Railsback	
Hawkins	Rooney, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Mills of Arkansas with Mr. Staggers.
Mr. Roy with Mr. Eckhardt.
Mr. Litton with Mr. Steiger of Arizona.
Mr. Burleson of Texas with Mr. McEwen.
Mr. Fulton with Mr. Hillis.
Mrs. Boggs with Mr. Goldwater.
Mr. Rooney of New York with Mr. Lujan.
Mr. Charles Wilson of Texas with Mr. Burke of Florida.
Mr. Hawkins with Mr. Wylie.
Mr. Railsback with Mr. Michel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 508, the Committee on Foreign Affairs is discharged from the further consideration of the bill (S. 1317) to authorize appropriations for the U.S. Information Agency.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. HAYS

Mr. HAYS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HAYS moves to strike out all after the enacting clause of the bill S. 1317 and insert in lieu thereof the provisions of H.R. 9715 as passed, as follows:

That this Act may be cited as the "United States Information Agency Appropriations Authorization Act of 1973".

SEC. 2. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1974, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 8 of 1953, and other purposes authorized by law, the following amounts:

(1) $203,279,000 for "Salaries and expenses" (special foreign currency program)", except that so much of such amount as may be appropriated for "Salaries and expenses (special foreign currency program)" may be appropriated without fiscal year limitation;

(2) $5,125,000 for "Special international exhibitions" and "Special international exhibitions (special foreign currency program)", of which not to exceed $1,000,000 shall be available solely for the Eighth Series of Traveling Exhibitions in the Union of Soviet Socialist Republic; and

(3) $1,000,000 for "Acquisition and construction of radio facilities".

Amounts appropriated under paragraphs (2) and (3) of this subsection are authorized to remain available until expended.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated without fiscal year limitation for the United States Information Agency for the fiscal year 1974 the following additional or supplemental amounts:

(1) not to exceed $7,200,000 for increases in salary, pay, retirement, or other employee benefits authorized by law; and

(2) not to exceed $7,450,000 for additional overseas costs resulting from the devaluation of the dollar.

SEC. 3. The United States Information Agency shall, upon request by Little League Baseball, Incorporated, authorize the purchase by such corporation of copies of the film "Summer Fever", produced by such agency in 1972 depicting events in Little League Baseball in the United States. Except as otherwise provided by section 501 of the United States Information and Educational Exchange Act of 1948, Little League Baseball, Incorporated, shall have exclusive rights to distribute such film for viewing within the United States in furtherance of the object and purposes of such corporation as set forth in section 3 of the Act entitled "An Act to incorporate the Little League Baseball, Incorporated", approved July 16, 1964 (78 Stat. 325).

SEC. 4. (a) After the expiration of any thirty-five day period beginning on the date the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives has delivered to the office of the Director of the United States Information Agency a written request that the committee be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of such agency, and relating to such agency, none of the funds made available to such agency shall be obligated unless and until there has been furnished to the committee making the request the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested. The written request to the agency shall be over the signature of the chairman of the committee acting upon a majority vote of the committee.

(b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of the United States Information Agency or to any communication directed by any such officer or employee to the President.

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. 9715) was laid on the table.

GENERAL LEAVE

Mr. HAYS. 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 Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. HOGAN. Mr. Speaker, on yesterday during the vote on H.R. 37, the Endangered and Threatened Species Conservation Act of 1973, I am recorded as not voting. I was present and voted in favor of the bill. I ask that my statement may appear in the RECORD.

FURTHER LEGISLATIVE PROGRAM

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

Mr. O'NEILL. Mr. Speaker, I have taken this time so as to announce the program for the remainder of today and the balance of the week.

Mr. Speaker, S. 1914, the Radio Free Europe bill, has been pulled from the program because of a request by the committee chairman. It is our intention to go forward today with the rule on the bill H.R. 9281, law enforcement and firefighter personnel retirement, and follow that with the rule on H.R. 9256, Federal employees health benefits.

We will go forward with the subject matter of these two bills on tomorrow.

The first item to be taken up tomorrow will be the conference report on the

Department of the Interior appropriations bill.

PROVIDING FOR CONSIDERATION OF H.R. 9281, LAW ENFORCEMENT AND FIREFIGHTER PERSONNEL RETIREMENT

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 547 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 547

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. 9281) to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel, 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 Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the customary 30 minutes to the minority Member, the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 547 provides for an open rule with 1 hour of general debate on H.R. 9281, a bill to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel.

H.R. 9281 provides for computing the retirement annuities of Federal law enforcement officers and firefighters at the rate of 2½ percent for each year of service not exceeding 20 years, and at 2 percent for each year of service in excess of 20 years. It also provides that basic pay for retirement deduction and annuity computation purposes shall include premium pay received by law enforcement officers for uncontrollable overtime.

The bill also requires the mandatory separation of law enforcement officers or firefighters at age 55 or upon completion of 20 years of service if such employee has not completed 20 years by the time he reaches age 55.

Enactment of the bill will create an additional $664 million unfunded liability in the retirement system.

Mr. Speaker, I urge adoption of House Resolution 547 in order that we may discuss and debate H.R. 9281.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I support this resolution which provides for an open rule with 1 hour of debate.

The primary purpose of H.R. 9281 is to provide improved retirement benefits for Federal law enforcement and firefighting personnel.

More specifically, the bill: First, provides for computing the retirement annuities of Federal law enforcement officers and firefighters at the rate of 2½ percent for each year of service not exceeding 20 years, and at 2 percent for each year of service in excess of 20 years; second, provides that "basic pay" for retirement deduction and annuity computation purposes shall include premium pay received by law enforcement officers for uncontrollable overtime; third, requires the mandatory separation of law enforcement officers or firefighters at age 55 or upon completion of 20 years of service if such an employee has not completed 20 years by the time he reaches age 55; and fourth, authorizes agency heads to determine and fix minimum and maximum age limits for purposes of original appointments to law enforcement and firefighter positions.

To partially support the increase in the normal cost of the retirement system which would result from the enactment of this legislation, H.R. 9281 prescribes a 7½-percent retirement contribution rate for law enforcement and firefighting personnel.

The proponents say the objective of providing improved retirement benefits and mandatory retirement at 55 is to make law enforcement and firefighting a "young man's service."

Enactment of this bill will create an additional $664,000,000 unfunded liability in the retirement system. Such increased deficit will require amortization in 30 annual appropriations of $41,100,000. The bill provides benefits for a small group of Federal employees at tremendous expense and to the detriment of all other Federal employees.

The committee report contains a letter from the Civil Service Commission opposing the bill in its present form. The Commission has no objection to mandatory early retirement, but does object to the proposed computation formula as excessively generous. The commission notes that hazardous jobs are already compensated by higher pay, which results in higher retirement.

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

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

Mr. GROSS. I think it would be well to point out to the Members as well that this is special privilege legislation affecting some 56,000 employees only, only 56,000 employees, that will result in a cost of a little better than $1 billion.

I thank the gentleman for yielding.

Mr. LATTA. I thank the gentleman from Iowa for his remarks.

He mentioned this before the Committee on Rules. I think he makes a good point. Beside the amounts of money involved here, $664,000,000 unfunded liability, it is quite astounding that the committee would report this legislation, but I am sure that this will be debated adequately when we get into the debate.

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

Mr. MURPHY of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. BRASCO).

Mr. BRASCO. Mr. Speaker, I rise in support of the rule and obviously in support of H.R. 9281. I might point out for the benefit of the Members that the purpose of this particular bill is not to reward our law-enforcement officers and firefighters for performing a dangerous duty, but is to recognize the everyday psychological stress they must endure. An equally important purpose of this legislation is to help to maintain a relatively young, vibrant, and effective work force in both areas. Let us see what we have done.

The law governing the retirement benefits of law enforcement personnel has not been altered for something like 25 years. The committee tried to take a most responsible position, and we did, I believe. What we did was increase the computation factor from 2 percent to 2½ percent for the first 20 years, and then reduce it back to 2 percent for anything over 20 years in an effort to induce people involved in these activities to retire.

We also did something that the Civil Service Commission approves, and that is to set a mandatory retirement age of 55 with an option on the part of the agency to hold any employee until age 60, if they so desire. Also, we give them credit in their retirement base pay for uncontrollable overtime.

We also give the agencies the option and the right to fix minimum and maximum entry ages, which, I understand, the Civil Service Commission also finds is a forward-looking step in this area.

To defer some of the costs of this bill, the Federal firefighters and Federal law enforcement officers who now contribute some 7 percent of their salary toward the retirement fund will be required to contribute 7.5 percent. I believe in the long run we will find that this legislation is not going to cost the Government anything but will result in a savings in terms of the young and vibrant force it is going to produce, which is sorely needed.

The strength of our society and of the communities across the land depends on effective law enforcement and firefighting, and these are two areas in which people are killed and maimed on a daily basis. Let me tell the Members what the President himself did in this connection. On October 26, 1970, he signed into law, Public Law 91–509, under which the Metropolitan Police Force, the District of Columbia Fire Department, the U.S. Park Police, the Executive Protective Service, and certain members of the U.S. Secret Service were given a 2.5-percent annuity computation factor, but at the end of 20 years, instead of being reduced, it goes up to 3 percent.

In addition, the widow or widower of any firefighter or law enforcement officer who dies during the performance of duty will receive a lump sum payment of $50,000. We do not do that under this legislation, but I believe the President, by his action in October 1970, recognized

the needs of these firefighters and law enforcement officers.

I know many will talk about the cost of this bill, but we must look at the need for upgrading our performance in these areas. The cost is minimal.

One thing we found during the course of the hearings is that there is a definite need for the Federal Government to pay benefits at least equal to those given at the local law enforcement levels. We had testimony from Ed Kiernan, formerly head of the PBA of New York City. Very simply when we talk about improving law enforcement in this bill, we must consider that in New York City they are given free medical care, they are given free drug prescriptions, they are given eye care, they are given a $25,000 death benefit, and they are given a $15,000 benefit when they retire as a retirement gift, I suppose, from the city.

Beyond that, the city policemen contribute only 2.5 percent of their salary toward retirement. In the law enforcement agencies at the Federal level we require college graduates and we require them to have 2 years of business experience. They are assigned any place the agency needs their services, and in the case of dangerous drugs and narcotics agents the assignments may extend to foreign areas.

I think to defeat this rule or to do anything to disturb the responsible approach this committee has taken would be an injustice to those dedicated and loyal Federal law enforcement and firefighter personnel.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Speaker, I simply want to respond to the gentleman from Nebraska and his suggestion that the retirement fund is in some trouble.

It has an enormous surplus and that surplus has been contributed by billing the employees more than the law says they should be billed. They should be paying into the fund what is paid out of the fund, and that would result in total contributions of the Federal Government and its employees—of 13.1 percent of total payroll. In fact, the employees for years have been contributing more than has been taken out to the point where there is now roughly $450 million in surplus in the fund.

We ought to return that to the employees. But first, we ought not to permit that accumulation because the law does not permit it. It ought to be prevented by reducing the amount of contribution of the employees. However, since it has not been prevented, we ought to return the excess the employees are contributing and that is being applied to an existing deficit that occurred before the change in law saying that no contribution of employees shall be applied to existing deficits.

What we are dealing with is $150 million a year. The employees are contributing over and above what the law says they should. We ought to return that to them by increasing their benefits. This bill increases the benefits in a modest amount and results in a small return of that excess to them.

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

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

Mr. GROSS. Mr. Speaker, I was struck by the statement the gentleman made in connection with the unfunded liability of the retirement fund which is in the neighborhood of $50 billion, perhaps more. Is that not correct?

Mr. WALDIE. That comes about, as the gentleman will recall, because the Congress in its wisdom passed the Daniels bill changing the retirement program. That cost was assumed by the Government and not to be a cost of the employees at all.

Mr. GROSS. But that $50 billion is still an obligation of the Federal Government and the taxpayers?

Mr. WALDIE. It is an obligation under the pension plan of the employees, and to suggest that the pension plan is in trouble is simply not so.

Mr. GROSS. I am not saying it is. I am saying the retirement fund has an unfunded liability of $50 billion.

Mr. WALDIE. The gentleman from Nebraska did, and my attempt was to correct him.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, normally I would not take time under a rule, but since the two distinguished Members on the other side of the aisle were debating the dubious merits of the bill rather than the rule, I think it is only proper that I address myself to the subject.

My understanding is that we will just approve the rule this afternoon and debate the bill tomorrow. I wish to advise the Members that as the bill now stands, it is of such dubious merit that any objective Member would certainly vote against it. However, we are going to be offering amendments tomorrow which will clarify the situation and help the bill considerably.

I would respectfully suggest that overnight the Members review the minority views, which are very precise. I commend them to the attention of Members. I believe if they will study them objectively they will support our amendments tomorrow, and perhaps we can save some of the gentlemen who are supporting the bill in its present form from processing a very dubious legislative act.

I would suggest we also should keep in mind what we are speaking of here is a situation where these Federal employees are highly compensated in comparison with municipal employees who perform similar work. They are far better compensated and have many more fringe benefits than their counterparts in other levels of government.

I would suggest we keep in mind the need for fairness to individuals who are performing similar work for State and local agencies of government.

Tomorrow we will offer perfecting amendments. I am confident we can amend this bill to make it acceptable.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE CONSIDERATION OF H.R. 9256, FEDERAL EMPLOYEES HEALTH BENEFITS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 546 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 546

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. 9256) to increase the contribution of the Government to the costs of health benefits for Federal employees, 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 Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. MURPHY of Illinois. Mr. Speaker, House Resolution 546 provides for an open rule with 1 hour of general debate on H.R. 9256, a bill to increase the contribution of the Government to the costs of health benefits for Federal employees.

H.R. 9256 increases the Government's contribution for Federal employees' health benefits plans from 40 to 55 percent beginning in 1973 with an additional 5-percent increase each year thereafter until 1977 when the Government contribution will reach 75 percent. The bill also allows annuitants who retired prior to July 1, 1960, and who are now covered under the Retired Federal Employees' Health Benefits Act to elect coverage under the health benefits provisions of chapter 89 of title 5, United States Code.

H.R. 9256 also requires a common carrier participating in the health benefits program to agree to comply with a Civil Service Commission decision in a health benefits claim dispute.

The cost for the section of the bill relating to pre-July 1, 1960, retirees, is estimated to be $1.9 million annually for each of the next 5 fiscal years. The costs for the remainder of the bill are difficult to determine. Estimates range between $675,000,000 and $722,900,000 for the fiscal year 1974.

Mr. Speaker, I urge adoption of House Resolution 546 in order that we may discuss and debate H.R. 9256.

Mr. LATTA. Mr. Speaker, I agree with the statement just made by the gentleman from Illinois (Mr. MURPHY) but I am opposed to the adoption of this rule and the passage of this bill.

I believe that we ought to take special note of the amount that the taxpayer is going to be forced to pick up in this bill over the next several years.

Mr. Speaker, based on the experience of the past several years, in 1974 this bill will cost the taxpayers of this Nation $231 million; in 1975 it will cost the taxpayers $335 million; in 1976 it will cost the taxpayers $454 million; in 1977 it will cost the taxpayers $571 million; and in 1978 it will cost the taxpayers $649 million.

Now, Mr. Speaker, I believe the taxpayers of this Nation ought to know what we are going to be voting on when this bill comes before the House. Certainly, in my humble opinion, I do not believe it ought to be coming before the House. In fact, I have not had one single piece of mail from my district asking for the passage of this type of legislation.

I might also say to the Members who are not informed on this bill that it takes care of benefits for Members of Congress. I have not had any letters from back home asking me to vote for any legislation to increase the benefits to Members of Congress. Mr. Speaker, these are all Federal employees. I believe that, with the Government in the condition that it is in fiscally, the Government should not be asked to pick up this additional cost.

This bill increases the Government contribution from 40 to 55 percent in 1973; there is an additional 5-percent increase each year until 1977, when the Government's contribution would reach 75 percent.

We have heard the argument before the Committee on Rules, Mr. Speaker, that private industry is now up to 75 percent on these contributions. However, trying to use this argument is a lame excuse for the passage of this kind of legislation.

Let me say this: Private industry can pass that cost down to the consumer, the person who buys the product being manufactured, but in this case the only thing we can do is pass the whole ball of wax right back to the taxpayer, and I do not think we ought to ask them to assume this burden under these circumstances.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, just a moment ago I advised the House that we would offer some amendments in an attempt to improve the previous bill on which a rule has been granted. May I say, with all due respect to the sponsors of this bill, that it cannot be improved. It is just bad, indefensible legislation. It is impossible to try to cure it by amendments, so we hope to beat it outright. It is a raid on the Treasury, one which is not solicited by the employees. It amounts to an excessive fringe benefit that defies the principle of comparability to salaries in private enterprise.

Mr. Speaker, I suggest that it would be a statesmanlike thing tomorrow for us to defeat the bill.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Speaker, we are paying less than 50 percent; we are paying 40 percent of the premium for our employees' health insurance. It hardly seems equitable for us to stand up and beat our breasts and say that the American worker is entitled to have the employer pay 75 percent of his health insurance premium when we ourselves are not willing to adhere to that standard. So in furtherance of the principle that we ought to be progressive employers, of the land, since we are the largest employer and since we have the nerve to call on the private employer to contribute 75 percent, I introduced a bill calling for the 75 percent in graded steps, as the President suggested. But I find that the President has said:

> Well, I did not mean for us to do that, but I meant for those other fellows to pay 75 percent; not for us as employers, because we have such excellent programs for our employees and other fringe benefits.

It is true we have one of the worst programs in terms of employer contribution to health insurance, but we have a supposedly wonderful retirement system. Well, now, the theory of that is if you have one good fringe benefit, therefore you need not provide another good fringe benefit. That would mean that our private employers should have called the President and said, "We have an excellent retirement program for our employees and, therefore, there is no reason for us to pay 75 percent of premiums as a national health program."

So it does seem to me the suggestion from the minority that this is such an outrageous program is a suggestion that the President has proposed an outrageous program for the private employers of the land. I do not believe that to be so.

Further, the suggestion that the employers and the employees of the Federal Government do not support this program is simply not the case. The members of the Post Office and Civil Service Committee who suggest that there is no call from the Federal employee for this increase in premium know better than that.

Every representative of every employees organization in the United States appeared before the Committee on Post Office and Civil Service in favor of the increase in the Federal contribution as reported by this bill, and to represent that the Federal employee does not care or is not interested in this increase is not a correct representation of what are the facts.

Finally, it would seem to me that this bill, in terms of a proper approach to a major problem of this country, which is the inflationary aspects of medical care, is a reasonable approach that one segment of the administration has already adopted.

You will recall the issue last year that we fought as to whether postal employees should be included in this bill. The House agreed they should be, and the Senate rejected that contention. The gentleman declared the House last year passed this bill overwhelmingly, including postal employees by an amendment adopted on the floor. This year the postal administration negotiated with the postal employees and granted them more generous benefits in terms of health insurance premiums than this bill provides. It granted an immediate increase in their contract from 40 to 55 percent, and next year postal workers get an additional 10 percent. They will go up to 65 percent contributed by the Government employer in 2 years, whereas if we pass this bill, we will go up to 60 percent; less generous in fact than the administration's Postal Service has granted its employees.

So to suggest that this is a giveaway is to suggest two things: First, that the President espoused a giveaway program in terms of the private sector of the economy in his health message; and, second, the postal administration espoused a giveaway program to its employees. I suggest that neither contention can be justified.

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

Mr. WALDIE. I yield willingly and enthusiastically to the gentleman from Illinois, my most favored and respected colleague on the Committee on Post Office and Civil Service.

Mr. DERWINSKI. I thank the gentleman for yielding.

I am sure we do not mean to disagree. We were making a point. There is no great demand for, let us say, a feeling of absolute necessity on the part of the Federal employees for this bill. Obviously they are interested in it, since it would be of benefit to them, but it is not a life-or-death or essential thing. I think the Federal employees today are more than well satisfied.

The SPEAKER. The time of the gentleman has expired.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. WALDIE).

Mr. DERWINSKI. Will the gentleman permit me to comment and ask a question?

Mr. WALDIE. I yield to the gentleman.

Mr. DERWINSKI. It is slightly not germane to the immediate subject, but I know the gentleman walked the State of California in the month of August in the pursuit of higher office. May I inquire at this time as to his health and stamina and his feelings for the future?

I know the gentleman from California has worked hard in the last month, and I am very interested in the gentlemans' well-being, and the gentleman's political future.

Mr. WALDIE. Mr. Speaker, I appreciate the remarks of the gentleman from Illinois. It is suggested that I should respond by saying that my health equals that of the gentleman from Illinois, and that if I had traveled where the gentleman from Illinois has traveled, and had walked, I would not be back yet.

Mr. DERWINSKI. I traveled to West Virginia.

Mr. WALDIE. I thank the gentleman from Illinois for his solicitude.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, so that the record is absolutely clear as to the position of the administration and what this Congress has done in the last 2 years in this regard, I would like to call the attention of the Members to page 14 of the report, which reads as follows:

In 1971, the Government's contribution was almost doubled to approximately 40 percent of premium. The Commission cannot favor a further increase in the Government contribution at a time when the Administration is trying to exercise financial restraint.

So the administration is opposed to this legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. MARTIN).

Mr. MARTIN of Nebraska. Mr. Speaker, in response to the remarks made by the gentleman from California, I would like to make two points.

First of all, when management and labor sit down to bargain for a new contract they do not look at only one fringe benefit, they look at the entire package of fringe benefits.

As the gentleman from California (Mr. WALDIE) pointed out, the fringe benefit package for Federal employees is considerably better than that which exists in private industry today. The retirement benefits for civil service employees, the paid vacations, the sick leave, as well as the hospitalization insurance, as a package are better than in private enterprise.

So, Mr. Speaker, you have to look at the entire package when one is making a determination as to whether this increase is proper or not.

The second point I would like to make is that the gentleman from California spoke about the negotiations between the postal workers and the Postal Service, whereby the amount that the Postal Service will pay for hospitalization insurance goes to 55 percent, and then to 65 percent. All right, if the Congress comes along and increases this for civil service employees to 75 percent over a 5-year period, then you can bet your boots that the Postal Union is going to come back and say, "Well, here the civil service employees are now going to receive 75 percent on this insurance package, and we have only 65 percent. We want to go up to 100 percent."

Then the gentlemen on the Committee on Post Office and Civil Service will come back and say, "Well, the Postal Service employees are getting 100 percent, so we have to enact legislation to give our employees the 100 percent." So there is no end, I would point out, Mr. Speaker, to the cost of this legislation.

Mr. MURPHY of Illinois. 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. LATTA. 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 Chair understands there is some problem with the lights in connection with the bell signals.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 312, nays 81, not voting 41, as follows:

[Roll No. 468]

YEAS—312

Abzug	Esch	McKinney
Addabbo	Eshleman	McSpadden
Alexander	Evans, Colo.	Macdonald
Anderson, Calif.	Fascell	Madden
	Findley	Mailliard
Anderson, Ill.	Fish	Maraziti
Andrews, N.C.	Fisher	Martin, N.C.
Andrews, N. Dak.	Flood	Mathias, Calif.
	Flowers	Mathis, Ga.
Annunzio	Flynt	Matsunaga
Ashley	Foley	Mazzoli
Aspin	Ford, William D.	Meeds
Badillo		Melcher
Barrett	Forsythe	Metcalfe
Bauman	Fountain	Mezvinsky
Bennett	Frelinghuysen	Miller
Bergland	Frenzel	Minish
Bevill	Frey	Mink
Biaggi	Froehlich	Minshall, Ohio
Bingham	Fulton	Mitchell, Md.
Blatnik	Fuqua	Mitchell, N.Y.
Boggs	Gaydos	Mizell
Boland	Gettys	Moakley
Bolling	Giaimo	Mollohan
Bowen	Gibbons	Montgomery
Brademas	Gilman	Moorhead, Pa.
Brasco	Ginn	Morgan
Breckinridge	Gonzalez	Mosher
Brinkley	Grasso	Moss
Brooks	Gray	Murphy, Ill.
Brotzman	Green, Oreg.	Myers
Brown, Calif.	Griffiths	Natcher
Brown, Mich.	Grover	Nedzi
Brown, Ohio	Gubser	Nelsen
Broyhill, N.C.	Gude	Nichols
Broyhill, Va.	Gunter	Nix
Burgener	Guyer	Obey
Burke, Calif.	Haley	O'Hara
Burke, Mass.	Hamilton	O'Neill
Burlison, Mo.	Hammer-schmidt	Owens
Burton		Parris
Byron	Hanley	Patten
Carey, N.Y.	Hanna	Pepper
Carney, Ohio	Hansen, Wash.	Perkins
Carter	Harrington	Pettis
Casey, Tex.	Harsha	Peyser
Cederberg	Harvey	Pickle
Chamberlain	Hays	Pike
Chappell	Hechler, W. Va.	Preyer
Chisholm	Heckler, Mass.	Price, Ill.
Clark	Heinz	Quie
Clausen, Don H.	Helstoski	Railsback
	Henderson	Randall
Clay	Hicks	Rangel
Cleveland	Hogan	Rarick
Cohen	Holifield	Rees
Conable	Holt	Reid
Conlan	Holtzman	Reuss
Conte	Howard	Rhodes
Conyers	Hungate	Riegle
Corman	Hunt	Rinaldo
Cotter	Ichord	Roberts
Coughlin	Jarman	Robison, N.Y.
Cronin	Johnson, Calif.	Rodino
Culver	Johnson, Pa.	Roe
Daniel, Dan	Jones, N.C.	Rogers
Daniels, Dominick V.	Jones, Okla.	Roncalio, Wyo.
	Jones, Tenn.	Roncalio, N.Y.
Danielson	Jordan	Rooney, N.Y.
Davis, Ga.	Karth	Rooney, Pa.
Davis, S.C.	Kazen	Rose
de la Garza	Keating	Rostenkowski
Delaney	Kemp	Roush
Dellenback	Kluczynski	Roybal
Dellums	Koch	Ruppe
Denholm	Kyros	Ruth
Dent	Leggett	Ryan
Dingell	Lehman	St Germain
Donohue	Long, La.	Sandman
Dorn	Long, Md.	Sarasin
Downing	Lott	Sarbanes
Drinan	McClory	Satterfield
Dulski	McCloskey	Schroeder
du Pont	McCollister	Seiberling
Eckhardt	McCormack	Shipley
Edwards, Ala.	McDade	Shoup
Eilberg	McFall	Shriver
Erlenborn	McKay	Sikes
Sisk	Taylor, N.C.	Whitehurst
Slack	Teague, Calif.	Widnall
Smith, Iowa	Thompson, N.J.	Williams
Snyder	Thomson, Wis.	Wilson, Bob
Spence	Thone	Wilson, Charles H., Calif.
Staggers	Thornton	
Stanton, J. William	Tiernan	Winn
	Udall	Wolff
Stanton, James V.	Ullman	Wright
	Van Deerlin	Wyatt
Stark	Vander Jagt	Wydler
Steele	Vanik	Yates
Steelman	Vigorito	Yatron
Stephens	Waggonner	Young, Ga.
Stokes	Waldie	Young, Tex.
Stubblefield	Walsh	Zablocki
Stuckey	Wampler	Zion
Studds	Ware	
Sullivan	Whalen	
Symington	White	

NAYS—81

Abdnor	Goodling	Regula
Archer	Gross	Robinson, Va.
Arends	Hanrahan	Rousselot
Armstrong	Hébert	Runnels
Ashbrook	Hinshaw	Saylor
Bafalis	Hosmer	Scherle
Baker	Huber	Schneebeli
Beard	Hudnut	Sebelius
Blackburn	Hutchinson	Shuster
Bray	Ketchum	Skubitz
Breaux	Kuykendall	Smith, N.Y.
Buchanan	Landgrebe	Steed
Butler	Latta	Steiger, Wis.
Camp	Madigan	Stratton
Clancy	Mahon	Symms
Clawson, Del	Mallary	Taylor, Mo.
Cochran	Mann	Towell, Nev.
Collier	Martin, Nebr.	Treen
Collins, Tex.	Mayne	Veysey
Crane	Milford	Whitten
Davis, Wis.	Moorhead, Calif.	Wiggins
Dennis		Wyman
Derwinski	O'Brien	Young, Alaska
Devine	Passman	Young, Fla.
Dickinson	Poage	Young, Ill.
Duncan	Powell, Ohio	Young, S.C.
Ford, Gerald R.	Price, Tex.	
Goldwater	Quillen	

NOT VOTING—41

Adams	Hastings	Murphy, N.Y.
Bell	Hawkins	Patman
Biester	Hillis	Podell
Broomfield	Horton	Pritchard
Burke, Fla.	Johnson, Colo.	Rosenthal
Burleson, Tex.	Jones, Ala.	Roy
Collins, Ill.	Kastenmeier	Steiger, Ariz.
Daniel, Robert W., Jr.	King	Talcott
	Landrum	Teague, Tex.
Diggs	Lent	Wilson, Charles, Tex.
Edwards, Calif.	Litton	
Evins, Tenn.	Lujan	Wylie
Fraser	McEwen	Zwach
Green, Pa.	Michel	
Hansen, Idaho	Mills, Ark.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Bell.
Mr. Teague of Texas with Mr. Dan Daniel.
Mr. Adams with Mr. Biester.
Mr. Kastenmeier with Mr. Hastings.
Mr. Mills of Arkansas with Mr. Johnson of Colorado.
Mr. Burleson of Texas with Mr. King.
Mr. Evins of Tennessee with Mr. Broomfield.
Mr. Rosenthal with Mr. Lent.
Mr. Hillis with Mr. Lujan.
Mr. Green of Pennsylvania with Mr. Burke of Florida.
Mr. Pritchard with Mr. McEwen.
Mr. Roy with Mr. Steiger of Arizona.
Mr. Hawkins with Mr. Horton.
Mr. Hansen of Idaho with Mr. Michel.
Mr. Charles H. Wilson of California with Mr. Wydler.
Mr. Litton with Mr. Talcott.
Mr. Podell with Mr. Wylie.
Mr. Edwards of California with Mr. Zwach.
Mrs. Collins of Illinois with Mr. Fraser.
Mr. Patman with Mr. Diggs.
Mr. Jones of Alabama with Mr. Landrum.

Mr. WALSH changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. DANIELSON. Mr. Speaker, I was unavoidably absent on Monday, September 17, when the vote was taken on passage of H.R. 7265, to provide for the operation of programs by the ACTION Agency. Had I been present, I would have voted "aye."

MILITARY DISCHARGE SYSTEM SHOULD BE CHANGED

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

Mr. KOCH. Mr. Speaker, I am seeking today, by the introduction of legislation, to correct certain injustices to which servicemen have been subjected by the military discharge system.

Under existing law, there are five kinds of discharges: honorable, general, undesirable, bad conduct, and dishonorable. The first three discharges are administrative in nature and the last two are deemed punitive and are rendered only after court-martial proceedings. The only discharge which under the law categorically bars veterans benefits is that of the dishonorable discharge. The bill I am introducing will eliminate the five discharge categories and provide for three categories; to wit, honorable discharge, general discharge, and discharge by court-martial.

At the present time, when the Armed Forces desires to discharge an individual, it can do so by the use of an administrative discharge such as "general" or "undesirable" and not have to establish, under evidentiary safeguards, a case against the individual as is required if a bad conduct or dishonorable discharge resulting from a court-martial is awarded. Where administrative hearings are held and an undesirable discharge is given, the serviceman does not have the right to confront and cross-examine all witnesses whose testimony is being used against him; the administrative board does not have subpena power, and, furthermore, the burden of proof on the prosecution is not of establishing guilt beyond a reasonable doubt, as is the case at a court-martial, but simply one of establishing a case by a preponderance of the evidence. That the armed services will use this easier way to eliminate men from the service is demonstrated by the fact that during the Vietnam war six out of seven men receiving discharges which were less than honorable were given "undesirable" discharges.

While under the law anyone discharged under conditions other than dishonorable is eligible to apply for Federal benefits, the Veterans' Administration has discretion with respect to awarding such benefits. The effect of the use of that discretion is that most men who have received undesirable and bad conduct discharges and who are not barred by statute from receiving benefits, have been excluded from receiving veterans benefits. The impression that such veterans are ineligible to receive benefits is so pervasive that most veterans in the category of less than honorable discharges do not even apply. I understand that 93 percent of the veterans having undesirable and bad conduct discharges who have applied for education benefits have been refused. What this means is that the VA has effectively rendered undesirable and bad conduct discharges as onerous as a dishonorable discharge, which is clearly contrary to the intent of Congress. I understand that of the 4,000 veterans who applied for unemployment compensation during the first 5 month period of 1972, 3,400 were denied these benefits by the Veterans' Administration.

In order to correct what I consider to be abuses by the armed services in the granting of discharges and by the Veterans' Administration in refusing benefits to veterans, I am introducing today the bill which would provide for the three discharges which I first described and it further provides that all VA benefits shall be available to those receiving an honorable discharge and a general discharge. The general discharge is retained because I believe that there should be the separation of an individual from the armed services without the need for or gross stigma of a court-martial. I believe, however, that anyone being made subject to a general discharge shall have the right to demand a board hearing to determine whether or not he is eligible for an honorable discharge or whether he should receive any discharge at all.

Mr. Speaker, that the Army recognizes that a general discharge under honorable conditions could result in damning a young man for life and is in fact a gross stigma on one's record is clearly demonstrated. Before a serviceman receives such an administrative discharge, he is required to sign the following statement before exercising or waiving his right to a hearing:

I understand that I may expect to encounter substantial prejudice in civilian life in the event a general discharge under honorable conditions is issued to me. I further understand that as a result of the issuance of an undesirable discharge under conditions other than honorable I may be ineligible for many or all benefits as a veteran under both Federal and State laws and that I may expect to encounter substantial prejudice in civilian life.

The following are the figures received from the Department of Defense on the types of discharges for fiscal year 1973:

Honorable	653,838
General	39,120
Undesirable	29,442
Bad Conduct	2,906
Dishonorable	434
Total	725,740

Mr. Speaker, as you see from these figures, an inordinate percentage of servicemen discharged receive undesirable discharges. Under the present situation, a soldier who goes before an administrative board for an undesirable discharge is not entitled to the legal defense he would automatically receive in the case of a court martial, where the rules of evidence must apply and where the Government must prove its case. He is at the mercy of a board stacked against him before he ever pleads his case.

I believe this bill will go a long way to correct the inequities in the current discharge system.

NATIONAL OPEN BEACHES ACT

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

Mr. GUNTER. Mr. Speaker, today I am joining my distinguished colleague from Texas (Mr. ECKHARDT) in cosponsoring the National Open Beaches Act, which guarantees public use of our Nation's shoreline.

Currently, only 5 percent of the recreational shoreline of the United States is available for public use. The rapid deterioration of this natural resource cannot be allowed to continue, and I believe that this legislation will once and for all clearly establish for our citizens the right to free and unrestricted use of the beaches of America. In passing this bill, the Congress will aid the millions of Americans who are increasingly threatened with the loss of these areas for recreational use by the private and industrial fencing-off of access roads and land adjacent to public beaches.

This bill will establish a Federal-State partnership to protect the public right of enjoyment of our beaches for present and future generations. The bill provides for Federal assumption of 75 percent of the costs of acquiring easements, as well as purchasing land to obtain access through condemnation proceedings. The Justice Department is given power in the bill to initiate litigation in order to clarify existing land titles and to protect the rights of the public.

Property rights will not be adversely affected by this legislation. The bill merely protects the right of the people of this country to gain access to the public shoreline without violating the property rights of others. Surely, this is a goal we all want to see accomplished.

In Florida, we have the advantage of hundreds of miles of beautiful beaches. With the rapid growth of population and industry in our State, the use of this precious resource is constantly being restricted; thus I believe we must take a stand to stop this potential loss to our people.

The Governor of Florida, the Honorable Reubin Askew, is in full agreement with this legislation. I believe the Governor speaks for a vast majority of our concerned citizens in his support of this important bill. He sent me the following letter which I request permission to insert in the RECORD at this time.

STATE OF FLORIDA, *March 16, 1973.*

HON. BILL GUNTER,
House of Representatives, Congress of the United States, Washington, D.C.

DEAR BILL: Thank you for your request for my opinion on the bill to be introduced in Congress providing for access to and use of public beaches.

The Bureau of Beaches and Shores of the Florida Department of Natural Resources has reviewed the draft and based upon their

comments, I feel the proposed bill represents a landmark in legislation benefiting the public interest.

The State of Florida strongly supports this proposed bill, especially in light of the current user pressures becoming more and more evident on existing public beaches.

With kind regards,

Sincerely,

REUBIN,
Governor.

SELLING CRUDE OIL IN NAVAL PETROLEUM RESERVE

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

Mr. KETCHUM. Mr. Speaker, today I have introduced legislation which would permit the Federal Government to sell a portion of the crude oil contained in Naval Petroleum Reserve No. 1 to independent refiners on a short-term, emergency basis. The current disastrous effects of the fuel shortage on the indepedent oil refiners, and the lack of alternative solutions to this critical problem, make this step necessary if we are to save the independents and provide vitally needed petroleum products to their clients.

We are all aware of how great a problem the fuel shortage is. Americans are using more petroleum than ever before, and the demand for these products will continue to increase in the years ahead. But we cannot forget that the supply of these products is finite. Nature has taken millions of years to create the world's supply of crude oil and man has taken less than a century to bring us to the point where we must envision the depletion of our crude oil resources. Demand for gasoline alone is rising at 6 percent per year. Americans drove 1.25-trillion miles last year, thus burning up 47-million barrels of oil a week, while domestic suppliers of oil produced only 43-million barrels a week. It is obvious that our demand for oil exceeds our capacity to produce it. The unhappy truth is that only 52-billion barrels of oil remain easily recoverable in the United States—a 10-year supply at current levels of consumption.

Of course, there are alternative methods of obtaining crude oil to meet domestic needs. We can, indeed must, increase our oil imports. The United States may eventually decide to rely heavily on oil from the Middle East, but this is a policy fraught with problems of trade deficits and hard political and diplomatic choices that may take years to reconcile.

We also have the great oil reserves of the North Slope of Alaska to fall back on, a proven reserve of 10 billion barrels with the possibility of millions more contained in unexplored territory. With the final approval of the trans-Alaska pipeline, we expect that 2 million barrels a day of Alaskan oil will find their way into our crude oil-hungry market. But even this oil cannot reasonably be brought down to the continental United States before 1977. We are left with the hard fact that several years shall pass before we are free of the fuel shortage, years of increased oil demand and shrinking oil supply. Were we to wait until 1977 to act, it would be far too late to save the independent oil refiners who have been hit hard by the crude oil shortage.

The existence of independent oil refiners is vital if we are to retain price competition in the fuel market. According to the Federal Trade Commission, we now have only about 20 large companies that are fully self-sufficient, with the assurance of in-house supply. These major companies market about 80 percent of our crude oil. The remaining 20 percent is distributed through hundreds of small independents. These independents are totally dependent on the majors for their crude supply and must settle for whatever amount the majors are willing to sell them. When there is less supply to be had, the independents are on the short end, since the major companies have a natural desire, understandably, to keep the precious oil that does exist for themselves.

The net result of this system is that the independents are being squeezed out of the market and the consumers who rely on them for their fuel needs must go without. The Nation's farmers are particularly hit by this cutback in supply, since they depend heavily upon independent-refined and supplied oil. After last spring's disastrous weather, farmers worked round the clock to plant their crops and last spring's fuel requirements for farms were up 25 percent. This fall, with increased production, farmers will need more fuel than ever to harvest and dry their crops, while the independent dealers are simultaneously running out of fuel to sell them. Similar shortages are adversely affecting the trucking and construction industries, both of which rely heavily on independents for their supply.

My proposed legislation seeks to help the independents in the most practical manner—by providing them with a supply of crude oil not under the major companies' control.

This bill amends the present laws governing the Naval Reserve No. 1 at Elk Hills, Calif., and directs the Secretary of the Navy to prescribe procedures for the sale of crude oil to independent oil refiners. Since this legislation is designed to address an emergency problem, the lease of the crude oil would be on a short term, once only, emergency basis of 3 years. When this time period expires in 1977, we expect that the Alaska pipeline will be carrying down sufficient oil to satisfy both major and independent oil companies on the west coast.

The naval petroleum reserve at Elk Hills includes over 1.2 billion barrels of known recoverable oil. According to the U.S. Navy, however, only about half of the 17 miles long by 5 miles wide preserve has been explored and developed, so the actual amount of crude under the surface could be much more. My proposal is to permit independent refiners to purchase 60,000 barrels a day from these reserves for a period of 3 years. The total amount of crude oil thus removed from the Elk Hills preserve would be 65,700,000 barrels, or only 5.1 percent of the known crude oil reserves. We could thus help our independent refiners and their customers with only a minimal reduction in the naval petroleum reserves.

As stated in my bill, independent refiners are defined as companies with an operating refinery capacity of 100,000 barrels per day or less on January 1, 1973.

In order to be eligible to purchase crude oil from Elk Hills, the independents will be required to establish their inability to obtain sufficient crude oil to operate their refineries at capacity. Moreover, purchases of crude oil will be limited to those additional amounts required by each company to operate the refineries at full capacity during the 3-year period.

In summary, Mr. Speaker, this legislation provides the best possible short-term solution to the serious crisis affecting our independent refiners and their clients. It brings a new untapped source of crude oil into the marketplace. More importantly, it provides the independent refiners with a source of crude oil that is not under the direct control of the major companies, and assures them that they shall be able to operate at capacity levels through this worst phase of the fuel shortage.

UNITED STATES SUBSIDIZES INTEREST RATE FOR MASSIVE SOVIET CONSTRUCTION PROJECT—WHILE MONEY CRISIS CONTINUES AT HOME

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

Mr. VANIK. Mr. Speaker, it had just been announced that Bank of America and nine other major American banks have put together a loan of $180 million to finance construction of a fertilizer complex in the Soviet Union. The taxpayer supported Export-Import Bank has made a preliminary commitment of another $180 million, while the Soviets have put up $40 million for the construction by Occidental Petroleum of the $400 million fertilizer complex south of Moscow.

The terms of the Export-Import Bank loan are an outrage to the American public. While the $180 million loaned by American banks will be at the prime interest rate plus five-eighths percent or 10 to 12 percent, the Export-Import Bank will loan $180 million at 6 percent. In the period of this single loan, the taxpayer subsidy could range between $50 million and $75 million.

Assuming that one-half of the $400 million cost will result in $200 million in U.S. exports, the taxpayers of the United States might end up spending $75 million in interest subsidies to sell $200 million in American-made merchandise. This appears like a costly and stupid business adventure.

A further examination of the deal reveals that the risk in the $400 million financing arrangement is not equally shared by the private banks and the Export-Import Bank. The arrangement provides that the private American banks will get all of their money back before any payments are made on the Export-

Import Bank's portion of the loan. During the 6 years in which the private banks are being paid back, the Export-Import Bank is standing in the wings, waiting, while it receives a yearly commitment fee of one-half of 1 percent of the outstanding balance.

Under this arrangement, the private banks get almost double the interest rate of the Export-Import Bank and dispose of their risk 6 years in advance of the Export-Import Bank.

Mr. Speaker, the present policies of the Export-Import Bank are financial madness. The American taxpayer should not be made to support an interest dole of these dimensions to support export sales.

Since projected loan commitments for fiscal year 1974 exceed the $20 billion ceiling, the Bank is currently attempting to increase its lending authority to $30 billion.

The Congress should look at this request with a jaundiced eye. If those who must borrow to educate their children must pay interest rates in excess of 10 percent, if those who buy homes must pay interest rates almost as high, how can we continue to loan money to foreign purchasers at 6 percent to buy at the bargain-basement prices created by devaluation.

The final insult is that we are taxing the American people to build a fertilizer plant in Russia while American farmers are finding it impossible to plant because of vast shortages of fertilizer in America.

THE LATE HONORABLE WESLEY D'EWART

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Montana (Mr. SHOUP) is recognized for 60 minutes.

GENERAL LEAVE

Mr. SHOUP. Mr. Speaker, I ask unanimous consent that all Members be allowed 5 legislative days in which to extend their remarks concerning my special order on the late Honorable Wesley D'Ewart.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. SHOUP. Mr. Speaker, many Members of this body of Government remember former Congressman Wes D'Ewart and his dedicated work. On September 2, 1973, Wes passed away at the age of 83 in his home in Wilsall, Mont.

Wesley Abner D'Ewart was an honest man of strong personal conviction. The land was his first love and he was devoted to better land management regardless of sentiment. He labored long and hard in Congress between 1945 and 1955 as Chairman of the Subcommittee on Public Lands in the House Interior Committee during the 83d Congress, he authored and succeeded in passing important pieces of land use legislation.

Wes also served as Assistant to the Secretary of Agriculture and Assistant Secretary of the Interior in the Eisenhower administration where his knowledge of the land and agricultural problems was respected and relied upon by his associates. Wes then served as a special representative to the Secretary of Agriculture from 1956 until 1958. He then came back to his adopted home of Wilsall, Mont.

A native of Worcester, Mass., Wes came to Montana fresh out of Washington State University in Pullman, Wash. In 1910 he moved to Wilsall and started working for the U.S. Forest Service. Before tossing his hat into the political arena, Wes was a successful rancher, farmer, and businessman in Park County, Mont. In 1937 he launched what was to be a highly successful political career by winning a seat in the Montana House of Representatives and served two biannual terms in that body. Wes next won the State senate seat in Park County in 1941 and served there until he was appointed a Member of the U.S. Congress in 1945 to fill the vacancy left by the death of James F. O'Conner.

Wes' final position before becoming retired full time was as a member of the Wester States Water Council, from 1966 through 1969.

Last June, the Montana Republican Party sponsored a testimonial dinner for Wes to honor his many years of dedicated service to Montana and his country—a timely and fitting honor. It is only fitting that we, as Members of Congress, pause in reflection, for Wes D'Ewart typified the great American man from the frontier—strong, rugged, bluntly honest with a backbone of steel and unrelenting in his work. Wes has earned himself a place in history in the great American tradition. Although Wes is no longer with us, we can be thankful that he chose to serve the public in so many ways. For a man of his conviction, ability, and dedication to decide against a life as a public servant would have been unfortunate. But we were fortunate, very fortunate indeed.

As a former pupil of Wes' in the realities of politics and public service I will be forever grateful for his guidance, his assistance, and his patience.

Wes D'Ewart will not be forgotten—his edifice will be the landmark land use legislation he produced.

Mr. GERALD R. FORD. Mr. Speaker, I join my colleagues in mourning the death of former congressman Wesley D'Ewart, who died September 2 at the age of 83.

Wes D'Ewart was a stockman, farmer, and businessman in Park County, Mont., who was first elected as a Republican to the 79th Congress to fill a vacancy. He was subsequently reelected to the 80th and three succeeding Congresses and left Congress after making an unsuccessful run for the Senate in 1954. Wes came to the House after 6 years in the Montana legislature.

I remember Wes well. He was a good friend, a fine gentleman and an outstanding legislator. After departing the Congress, he served as an Assistant Secretary of Agriculture and an Assistant Secretary of the Interior.

Mr. Speaker, death has taken a fine American from our midst. I regret greatly the passing of Wes D'Ewart.

Mr. GROSS. Mr. Speaker, it was with genuine sadness that I learned of the death of my friend, Wes E'Wart.

He was a stalwart in the cause of fiscal sanity and responsible government during the decade that he served Montana and the Nation in this House.

After he left the House in 1955, he served as assistant to the Secretary of Agriculture and, later, as Assistant Secretary of the Interior. In later years he was active in the Western States Water Council.

Wes D'Ewart was a servant of the people in the finest meaning of that term and his wise counsel and warm friendship will be missed by all who knew him.

Mr. ARENDS. Mr. Speaker, how can we adequately describe the loss of a friend? Words fail, but we attempt to express ourselves as best we can. The loss of Wes D'Ewart is a severe blow to those of us who served with him in this House and counted him a friend.

Wes was one of those solid individuals who earned our respect as a colleague and as a man. His zest for life was contagious. To be with Wes was to be with a man who focused on realities. He was a practical man, unmoved by the blandishments of myopic theorists, and dedicated to the attainment of goals which would enhance the greatness of our beloved Nation. He was a true patriot. Always could we look to Wes for sound judgment. His qualities were such that he was sorely missed when he ended his 10 years of House service in 1955.

Mr. Speaker, as we say farewell to our friend, Wes, we pay heartfelt tribute to his memory. We know that his was a full life and well spent.

Mr. SAYLOR. Mr. Speaker, it has been some time since Wes D'Ewart graced the Halls of Congress but many of us, particularly those on the Republican side of the aisle and present and former Members of the House Interior and Insular Affairs Committee, remember him well and with special affection. Our former colleague passed away on September 31 just prior to his 84th birthday.

Providently, the Republican Party of Montana in June of this year, gave a special testimonial for our distinguished former colleague. He was honored then for his 10 years service in the House of Representatives, his contributions to the political party of his choice, but most importantly, for his untiring efforts as a public official and private leader in the protection and enhancement of the natural areas of his beloved Montana. Though born in another State, educated in a second, Wes D'Ewart was truly a "son" of Montana.

Wesley D'Ewart was a native of Worcester, Mass., but felt the yearning to go West at an early age and after high school, enrolled in Washington State University. Following college he became a ranger in the U.S. Forest Service and was stationed in Montana. At that time he married Marjorie Cowee, also of Worcester, a friend from high school days who had attended and graduated from Wellsley College.

Shortly thereafter, the young couple bought a small ranch near Wilsall, Mont., and set up housekeeping in a

cabin near the creek that ran through the property. Both worked hard; they had a dairy herd and beef cattle, and they prospered. Wes added to his land holdings when he could afford it and presently became a leading citizen in Park County, Mont. He was an early organizer and long-time director of the Park County Electric Cooperative, one of the first REA ventures in Montana. He became a member and later president of the Montana Cattlegrowers Association and the Montana Reclamation Association. He was elected to the Montana State Senate and served there several terms before he came to the Congress. In later years he served as a director of the National Reclamation Association and was in demand as an expert and speaker throughout the West.

As a politician, D'Ewart brought a new style to Montana. His congressional district consisted of 39 Montana counties, a total area larger than all of New England. He insisted on visiting every town and hamlet in the district every year, election or not—and this was in a day before politicians used airplanes. D'Ewart and his administrative assistant would establish an itinerary covering the district in a clockwise manner. Mrs. D'Ewart and the Congressman's secretary, Molly Clasbey, would start out in the opposite direction. In his fourth run for office, D'Ewart carried every county in his district—a truly remarkable feat in Montana.

During his first term in the U.S. House of Representatives, Congressman D'Ewart became a fixture on the floor of the House throughout every session learning the rules. His diligence and understanding gave him, in the 80th Congress, a voice in leadership seldom won by a sophomore representative. In the 83d Congress be became the chairman of the Public Lands Subcommittee of the House Interior and Insular Affairs Committee and in that capacity established two records that I recall. He guided to enactment more constructive legislation for the National Park Service than any other Member before him. And he had more bills vetoed by President Truman than any Member before or since as far as I know—the number was more than 15.

Wes D'Ewart's interests in Congress reflected the interests of his State and region. He was an expert in irrigation and reclamation programs, in Indian affairs, and in the problems of the public lands. In other legislation he was a convinced conservative. His votes against bills that exceeded budget limitations probably contributed to his eventual retirement from elective office, but he voted his convictions.

My most vivid recollections of Wes D'Ewart come from Interior Committee work on irrigation and reclamation bills. I will never forget the colloquy between Wes and a nabob from the Bureau of Reclamation in a subcommittee hearing dealing with well-digging in Idaho. The pertinent part of the testimony went something like this:

WES. I see you have a figure in this estimate of 5 percent for contingencies.

WITNESS. Yes, sir.

WES. Can you describe 'contingencies' for me?

WITNESS. Well, this is to cover problems we do not foresee or errors in calculation, to give us some leeway.

WES. Do you mean that contingencies cover mistakes you might have made in planning.

WITNESS. Well, not precisely, but——

WES. Well, what I would like to know is the reason for including this 5 percent figure in the estimate for 89 identical wells. Do you expect to make the same mistake 89 times?

In 1954, D'Ewart challenged Montana's Senator James Murray and lost by a margin of 1,700 votes after a bitter campaign. President Eisenhower subsequently appointed him to the position of Assistant Secretary of the Interior in charge of Public Lands, a post in which he served with distinction for a year. His final confirmation in the post was blocked in the Senate by his opponent in the 1954 election. Thereafter, he served as a Special Assistant to the Secretary of Agriculture for several years before "retiring" to private life in Montana.

No brief recapitulation of the life of Congressman Wes D'Ewart would be complete without reference to his wife Marj, a wise and outgoing woman who could win as many votes and hearts as her husband. Politics came naturally to her as her father had been Democrat candidate for Senator from Massachusetts more than once. I have personally known few women with her strength of character; perhaps a single story will illustrate the point.

Mrs. D'Ewart was expecting Wes to return from a trip before their first baby was due, but Wes did not return and Marj sensed the time had come. She had the hired man hitch up a buggy and they started out in bad weather for the hospital in Livingston, Mont., about 30 miles from their cabin home. Something spooked the horses and they bolted, overturned, and wrecked the buggy, and the hired man wound up in the ditch with a broken leg. Marj D'Ewart, heavy with child, dragged the hired man to a fence post, put splints on his leg, tied him there so he could be found, rounded up one of the horses, and rode to the hospital where their son Bill arrived a day later.

Wes D'Ewart's personal life was punctured with tragedy but he bore each new tragedy without outward sign. When first on the ranch, their young daughter drowned in the creek near the house; while campaigning for office many years later, he learned that a grandson had died the victim of a tractor accident; his son Bill, in his fifties, passed away without warning from a heart attack; and his beloved Marj was taken after a sudden illness several years ago.

Throughout these years, a pillar of strength and the object of his great devotion has been his daughter-in-law, now Mrs. Willard Francis, who cared for Wes in his late years. To her, and to her daughter, and to Wes' granddaughter, Mitzi, we extend our deepst sympathy.

I think it must be said that few men pass from this world with more reason to feel fulfilled and satisfied than our late colleague. He was a good farmer and rancher, a good husband and father, and he contributed his best in every kind of civic and public endeavor, in and out of Government service, for many years.

He lived a full life, without illness, and death came after only a brief stay, his first, in a hospital. The world is better for his having been here; I hope as much can be said for all of us when we leave this Earth to meet our Maker.

Mr. RHODES. Mr. Speaker, it was with a real sense of personal loss that I learned of the passing of my good friend and our former colleague, Wesley A. D'Ewart, on September 2.

Wesley D'Ewart was a dedicated and capable statesman, who served his country with distinction and great wisdom. I feel privileged in having had the good fortune of serving with Wes during his last term in the House of Representatives, the 83d Congress. My close association with him during that period led to a deep respect for his overriding concern for his fellowman, admiration for his legislative ability, and a warm affection for him as a personal friend.

My sincere sympathy is extended to Mrs. Wendall Francis and to his granddaughter, Mrs. Duane Vincent, in the loss of their loved one.

Mr. JOHNSON of California. Mr. Speaker, it is with sadness that I rise today to join my colleagues in paying tribute to Wesley A. D'Ewart, who served the State of Montana and the Nation so well in the House of Representatives.

I was privileged to serve with this fine gentleman on the Committee on Interior and Insular Affairs. I found him to be knowledgeable, capable, and dedicated in his efforts to serve his constituents, his State, and the Nation. He will be missed by those who were privileged to know and work with him.

Mrs. Johnson joins me in extending deepest sympathy to his family.

THE PSYCHOTROPIC SUBSTANCES ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HASTINGS) is recognized for 15 minutes.

Mr. HASTINGS. Mr. Speaker, today, I am joined by several of my colleagues in introducing the Psychotropic Substances Act of 1973 a measure which will have substantial impact on the international illicit traffic in dangerous drugs.

This legislation is a result of an international conference, which the United States took the lead in organizing and that I attended as a delegation member. This new Convention on Psychotropic Substances could bring about worldwide control and regulation of the movement of such drugs as LSD, barbiturates, and amphetamines. These controls are similar to those which have been applied for

decades to the narcotics and opium commerce. This bill is needed to make those changes in our own laws so that the United States may become a member of the Convention.

International drug traffic is a matter which has long been of vital concern to each and every Member of Congress. We have all devoted a substantial part of our time to this problem, and several of us have traveled around the globe to find out firsthand the facts which the Congress needed. Much progress has been achieved by the Government in recent years, and a great deal of it has come about because of our accelerated international initiatives—both in diplomacy and enforcement.

This is true particularly in the case of heroin and narcotics. Successful agreements have been worked out with key nations, such as France, Turkey, Mexico, and Southeast Asian countries. For the first time in several years, the Justice Department's Drug Enforcement Administration reports that there is an actual shortage of heroin in the Western part of the United States. But, this success also results in greater diversion and abuse of other drugs, particularly those which are legitimately produced for legitimate medical needs. We must assume and expect that the same trend will also occur on the international level, which is why new controls in this area are essential.

The international situation is particularly critical because of a near total lack of any legal controls over the so-called psychotropic substances. Already, we have evidence that hundreds of pounds of barbiturates and amphetamines are being diverted from European manufacturers and smuggled into the United States. An outstanding example of this is the glut of barbiturate capsules called red devils which have infested the Southwestern United States since the spring of 1970. Although these "red devils" have been clandestinely manufactured, the Justice Department has strong evidence that the actual barbiturate powder came from legitimate European firms. But, it would be wrong for us to blame these firms themselves, or any specific nation. This atmosphere of haphazard and unregulated commerce of which the drug traffickers take advantage, is a condition which the nations of the world have permitted.

The Drug Enforcement Administration believes that much of the problem can be solved by putting this treaty into force; and enactment of the Psychotropic Substances Act of 1973 will make possible the United States ratification of the treaty. Moreover, the price for us as a nation is an exceedingly small one—nearly all of the controls which the treaty will impose are already applied in this country. We are really seeking a means of insuring that other nations of the world exercise standards of care and judgment similar to our own. Let me mention briefly the changes which it will make in existing Federal law.

The most significant change relates to the present procedures which are used to determine the controls of new drugs or a change of controls over existing drugs. Under the terms of the treaty, drugs are controlled in schedules similar to those of our own Federal law. The international body has the power to add new drugs under the treaty after being advised of scientific and medical findings by the World Health Organization. Should such a case arise, the United States would be obliged to apply some minimum measures regardless of the drug's current status under our law. These relate almost exclusively to matters concerning international commerce.

This bill will insure that the views of the Secretary of Health, Education, and Welfare are heard and represented in the international body by our chief diplomats.

In any case, the Secretary, in conjunction with the Attorney General, will determine and apply the minimum legal controls necessary to satisfy our obligations. In the most extreme situation, this would only mean placing the drug in one of the lowest schedules of control under existing Federal laws. These might require in some circumstances the issuance of import and export permits or the filing of annual production reports by manufacturers.

The Psychotropic Substances Act of 1973 is also careful to spell out areas in which the treaty, in and of itself, cannot require our action. It will make clear that the Congress is not to be preempted in determining the penalties and punishments for various drug violations. It will make clear that the treaty cannot be construed to impose new restrictions on the research, marketing, or advertising of such drugs for legitimate purposes. These provisions should allay any fears that we might be giving away too much control in such a vital area.

Indeed, the facts are just to the contrary. At the moment, it is the United States which has the most to gain from this treaty since it is the greatest single victim country of the illicit traffic in all kinds of drugs. These changes which we are required to make are generally always less than those which must be made by other countries. Through enactment of this bill, we will be making a large step forward in our drug suppression program at the price of small efforts.

SUMMARY—THE PSYCHOTROPIC SUBSTANCES ACT OF 1973

I. PURPOSE OF THIS ACT

To permit the United States to become a member of the international Convention on Psychotropic Substances.

As a result of United States diplomatic initiatives, a conference was convened in Vienna in the spring of 1971 for the purpose of drafting an international convention to provide for the control of commerce in psychotropic substances. Although narcotic drugs have been subject to international controls since 1912, the international movement of psychotropic substances, being principally the depressants, stimulants, and hallucinogens, continues without regulation. A treaty was successfully negotiated and signed by 30 nations subject to final ratification by their respective Governments.

On June 29, 1971, the President requested the Senate to give its advice and consent to the convention, and hearings were held on February 4, 1972. It was determined by the Department of Justice that compliance with the terms of the treaty would require amendment of existing Federal drug laws (the Controlled Substances Act of 1970), and appropriate legislation was introduced on February 2, 1972. Thereafter, the Senate Committee on Foreign Relations determined that ratification of the treaty should be held in abeyance pending Congressional action on the necessary amendments to domestic law.

No further action was taken by the 92nd Congress, and a modified version of this bill is now being introduced. These modifications are concerned with insuring protection of legitimate medical and research interests and limiting other changes to the minimum necessary for full compliance with the treaty. The bill expressly states that it is the intent of Congress that the provisions of this Act together with existing law will satisfy all legal requirements of the United States necessary to become a member of the Convention on Psychotropic Substances.

II. PURPOSES OF THIS TREATY

To impose controls on the international movement of psychotropic drugs and to eliminate their diversion into illicit channels.

The Convention on Psychotropic Substances, which this bill is designed to implement, will restrict the manufacture, distribution and use of these drugs to legitimate medical and scientific purposes. The treaty lists 32 substances in four separate Schedules depending on the extent of their potential for abuse and therapeutic usefulness. Provision is also made for the adding, deletion, or movement of substances within these Schedules based on subsequent social and scientific findings as determined by the World Health Organization and the United Nations Commission on Narcotic Drugs.

Under its terms, member nations would be required to license all manufacturers and distributors of controlled substances and require them to keep records of such manufacture and distribution including imports and exports. Member nations must issue specific import and export permits for drugs in Schedules I and II and must require the use of a special import-export declaration in the case of drugs in Schedule III. In addition, all psychotropic substances must be subject to prescription requirements; and member nations must make arrangements for the suppression of illicit traffic in them "having due regard to their constitutional, legal, and administrative systems".

These and similar provisions of the treaty will aid the United States' enforcement and diplomatic initiatives aimed at curbing the traffic in drugs diverted from international commerce. This has become an increasingly important problem with regard to stimulant and depressant drugs legitimately manufactured in European countries and subsequently smuggled into this country. In addition, failure to promptly ratify a treaty placing controls on drugs which we manufacture constitutes a source of embarrassment to our efforts in non-manufacturing nations where we are seeking the imposition of tighter controls on the cultivation of opium and other narcotic crops. Thus far, we have succeeded in our efforts to strengthen the Convention on Narcotic Drugs; but ratification of these amendments by other nations may prove impossible to procure if the United States fails to accept stronger controls over nonnarcotic drugs.

III. PROVISIONS OF THIS ACT

This Act consists of 13 sections, the principal provisions of which are as follows:

Sections 1 and 2 consist of title and declaration of Congress.

Section 3 provides that the Secretary of State shall promptly notify the Secretary of HEW of any activity of the World Health Organization under the Convention which could lead to changing of controls over a substance and thereafter transmit the views of the Secretary of HEW to that body. Also, the Secretary of State shall promptly advise the Secretary of HEW of the fact that the Commission on Narcotic Drugs is reviewing the controls over a substance, and the Sec-

retary's views will be binding on the U.S. representative before that body.

Section 4 provides that when the U.S. receives notification of a scheduling decision affecting the control of a drug, the Secretary of HEW, after consulting with the Attorney General, shall determine whether existing legal controls are adequate to satisfy the obligations of the U.S. If they are not, the Secretary of HEW shall recommend the appropriate scheduling action to the Attorney General. The Secretary of HEW may also request that the U.S. appeal the scheduling decision of the international body.

If action on the drug as required by the scheduling decision of the international body cannot be completed within the time required by the treaty (180 days), the Attorney General, after consulting with Secretary of HEW, shall issue a temporary order controlling the drug in the lowest possible Schedule of the Controlled Substances Act, (either IV or V). A final order will be issued after consultation with the Secretary of HEW and the exhaustion of all desired appeals.

Section 5 requires that manufacturers make periodic reports to the Attorney General respecting psychotropic substances so that the U.S. may supply the information required under the Convention.

Sections 6 and 7 required that import and export permits be obtained with regard to any substance which may hereafter be listed in Schedules I or II of the International Convention. Such permits are already required under domestic law for the more dangerous categories of drugs.

Section 8 provides that nothing in international treaties shall be construed to require specific punishment for offenses involving either narcotic or psychotropic substances.

Section 9 provides that nothing in any international treaties shall be construed to interfere with the confidentiality of patient records.

Section 10 provides that the International Convention shall not be construed as imposing any additional restrictions on research.

Section 11 provides that nothing in the International Convention shall be construed to require keeping of records of drugs administered or dispensed beyond that which is already required by domestic law (Section 307c of the Controlled Substances Act).

Section 12 provides that nothing in the International Convention shall be construed to prevent drug price communications to customers, and

Section 13 provides that the Act shall become effective on the date that the International Convention enters into force.

LAND USE PLANNING ACT WOULD DESTROY HOME RULE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, Mr. RONCALLO, is recognized for 60 minutes.

GENERAL LEAVE

Mr. RONCALLO of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RONCALLO of New York. Mr. Speaker, I have taken this special order today to warn of the irretrievable damages which the proposed Land Use Planning Act would wreak upon the great American principle that the citizens of a given locality are best equipped to decide for themselves the purposes for which privately held lands may be utilized. Although S. 268, which passed the Senate on June 21, and H.R. 10294, the clean bill just reported to the full House Interior Committee, are dressed up as environmental measures, they would provide State officials and regional planners with a powerful weapon against the environment.

Stated very simply, the House bill as currently drafted would provide grants to each State for the purpose of developing and implementing a comprehensive statewide land use planning program. This program would have to include, among other things, a State veto power over local government zoning decisions. If a State fails to come up with a plan acceptable to the Federal Government, the Department of the Interior will impose their own rules.

What is worse, the House bill, unlike the measure passed by the other body, mandates sanctions against States which prefer to chart a course different from that of the Washington bureaucracy. The price these States must pay for the right of self-determination is very high: Up to 21 percent of their Federal grant funds for highways, airports, and conservation. This is the "big carrot and the big stick" approach and engenders an atmosphere of doubt and mistrust into the proposed system right from the start. Even the State Governors who are backing the plan because it will increase their centralized power vis-a-vis local government, are opposed to sanctions. Through the National Governors' Conference they declared:

> The national land-use policy should refrain from the imposition of economic sanctions against states which are unable to comply with federal land-use policy requirements. Because of the highly sensitive nature of land-use control, major accommodations will have to be made between state and local governments before such controls can be exercised equitably and judiciously. Furthermore, sanctions generally have proved an ineffective tool in bringing about desired change.

In addition to all their other faults, the proposed sanctions affect areas of legislation under the jurisdiction of other committees of the House, and their ramifications are certainly not within the competence and expertise of the Committee on Interior and Insular Affairs.

It is not popular these days to oppose any legislation labeled as environmental by its sponsors. In this bill the word "environment" is a libel, not a label. In a few minutes I will go through various sections of the bill which I consider antienvironmental, but first I must wonder how any person interested in protecting the environment will find it easier to travel to his State capital or to Washington than to his local town hall. What makes him think he will have any easier time trying to influence a State bureaucrat than his local officials?

More importantly, I do not believe that an appointed State official should be empowered to make local zoning determinations, rather than local officials who must answer to the electorate for their actions and who must live, day in and day out with the visible results of their decisions. I fully subscribe to the principle that the level of government closest to the people governs best. I also happen to have a great deal of respect for the level of intelligence of the citizens of this great country and believe that they are the ones most qualified to decide for themselves how the land around them may be used. Who are we to substitute the judgment of a few civil servants for the will of the people? At least a local government official who does not respond to the needs of his constituency will soon find himself a private citizen once again. Who is going to control the State zoning czar sitting on top of his power pinnacle? A Federal bureaucrat even further removed from the man on the street.

Moreover, this bill is illegal under the Constitution of my home State and I suspect many others. The New York State Constitution mandates that publicly elected municipal officials determine zoning policy for their jurisdictions. The State government constitutionally cannot step in and veto local decisions just because the Congress passes a bill and the President signs it into law. This bill would attempt to threaten the citizen with higher taxes for highways, airports and, most ironically, land and water conservation, unless he agrees to vote away his present constitutional rights. The best word in the English language that fits this sort of technique is "blackmail."

At this point in my remarks, I should like to include for the RECORD a memorandum prepared by the Nassau County Village Officials Association which eloquently outlines some of the evils of this legislation:

NASSAU COUNTY VILLAGE
OFFICIALS ASSOCIATION,
Williston Park, N.Y., September 4, 1973.

Memorandum on Federal Legislation (i.e. H.R. 2942, and H.R. 6460), to induce the States to adopt a land use policy, etc., involving regulations at State and regional levels and not by local governments

According to recent information from the Committee on Interior and Insular Affairs, to which the above bills were referred, H.R. 2942 is identical to the bill [S. 268] passed June 21, 1973 by the Senate, and H.R. 6460 is a refinement of H.R. 2492. Federal legislative drafting and revising of such Federal-State induced land use policy is now actively in progress. It is imperative that the Federal legislators now become fully informed of established, State (and particularly New York State) policy in the entire field of land use development and regulation by local governments such as villages, towns and cities.

The purpose of this brief memo is to summarize such long-established N.Y. State land use policy and jurisdiction in the matter of regulation and control by local governments in the exercise of the police power to provide for the continued orderly growth and development throughout the State of local communities. Such exercise through legislation and regulation by publicly elected municipal legislators of their local home rule powers derived from the State constitution and implementing State statutes. And then this memo seeks to relate such State law, policy and practice to these Federal legislative proposals. And further, this memo seeks to clarify and differentiate certain areas of environmental policy which have been used by legislative tacticians, both Federal and State, to confuse the total picture in the hope of effecting a radical change in Local Government Home Rule powers and jurisdiction over zoning and development of local communities by establishing State and Regional Agencies which, staffed by regional government and planning employee appointees,

would take over from the local governments these powers and functions.

First, land use control and environmental planning are two separate and distinct matters. In New York State, local governments have, through their publicly elected legislative bodies, exercised their home rule powers and have, through such legislation provided for the orderly growth and development of their communities. Thus, land use policies have been adopted, updated and revised by local governments to serve the needs of their particular communities. In recent years, these local governments have engaged professional planning consultants, have utilized the information and advisory services of other available agencies, public and private, State and regional such as State and County offices of planning services. In this way the local governments have fully utilized the data and opinions of the hired planning experts and have, through their local legislation and regulations, provided for any changes desired by the affected local communities in the guiding policies relating to land use policy.

In the last several years in N.Y. State, the so-called planning experts have repeatedly but unsuccessfully tried to induce the State legislature to establish State and Regional regulatory agencies which would establish land use policy and regulation. Some of these State legislative bills were comprehensive programs, covering the total range of regulation of zoning and community development. When these bills failed to gain any support in the legislature, the sponsors tried to achieve the same result through piecemeal legislation, dividing the defeated comprehensive bill into three or more separate bills dealing with various parts of the comprehensive regulatory scheme. These piecemeal proposals were not acceptable to the State legislators.

The State offices which were the main sponsors of such regional government restructuring of local government have been the State Office for Local Government and the State Office for Planning Services. Also, the State Environmental Commission staff, as reflected in its recent report labelled as a State Environmental Plan, supports this regional government theory of land use regulation under the guise of environmental planning. The regional government theory advocates, as staff employees or consultants to the Wagner Commission (Temporary Commission on the Powers of Local Government), have adopted that theory in their recent report.

Opposition to such regional government theory and regional government land use regulation comes from all the Villages and Towns and probably all the other local governments in the State, where local home rule powers and functions would be taken away and transferred to the State and regional agencies. The N.Y. State Conference of Mayors, whose membership includes well over 400 Villages, and the N.Y. State Association of Towns, are strongly and unalterably opposed to such regional government takeover.

The extent and depth of the State legislators' support for Local Government Home Rule Powers and Functions as to local planning and regulation of land use development is indicated by the fact that all of the State legislators from Nassau County share this support.

A Position Paper on this issue has been issued by the Nassau County Village Officials Association, with a membership of 63 villages having a population of about 450,000 residents. In August of this year, the NCVOA discussed this matter with the representatives of the Westchester County Village Officials Association, and those representatives indicated that their 22 villages, with a population of about 300,000 residents, fully support the views expressed in that Position Paper.

How does this clear and established policy and law in N.Y. State relate to the Federal legislative proposals mentioned in the opening paragaphs of this memo? That relationship is simple: these proposals reflect and incorporate the regional government theory of land use regulation and control, contra to the established law and practices in N.Y. State and the overwhelming views of the people and the legislators of N.Y. State. In other words, the same regional government advocates and planning experts who comprise the main support of State legislative proposals for regional government take-over are collaborating and supporting the Federal proposals to the same end. The technique of the Federal scheme is simple: First, dress up the proposal as an environmental measure, thereby hoping to camouflage or conceal the plan relating to land use policy and regulation. (In fact, the Federal bills have received little or no publicity except as environmental measures.) And second, make it appear that the inducements to the States, by financial hand-outs and similar inducements, are generally in line with State policy or land use planning and control and that such regional approach is the only sound approach for land use planning and regulation. This theory behind the Federal proposals is both contra to the facts and contra to the established State policy.

Specifically, the Federal bill, Land Use Policy and Planning Assistance Act (S. 268), is an 80-page, comprehensive, regulatory scheme which, under the incentive of financial grants, is designed to compel the States to abandon completely their own statutory plans and programs for land use policies and legislative by local governments, described above, and to adopt a restructuring of local governments as to these matters by establishing new governmental agencies, at both state and regional levels, to take over from the local governments their present powers and functions as to these matters.

The Federal bill proceeds on the basis of findings which are, as far as New York State is concerned, wholly unsupportable and unacceptable. The entire bill is simply a Federal statutory version for a State-regional land use planning function which N.Y. State, through its legislature and at the polls on proposed State constitutional change, has repeatedly and decisively rejected.

The Federal bill lays down as requirements for an eligible State land use program or process that there be established by the State a single land use planning agency, with primary authority and responsibility for the development and administration of a state land use program. This fundamental change in the N.Y. State law with respect to the powers and functions of local governments as to land use planning and development is not to any extent acceptable to the local governments and their residents. It is therefore of no purpose to point out the numerous other substantive provisions of the bill which are equally objectionable. The bill should be completely re-written so as to encourage the States to carry out their own laws and programs for land use planning and community development, with due consideration for environmental and considerations.

In addition to considerations of home rule, I believe that this legislation could be construed by the courts to mandate the unconstitutional taking of private property for public benefit without just compensation. Certainly the major value of a great deal of private property, purchased for development under existing local zoning regulations and contributing to the local tax base, will be destroyed despite the bill's rather contradictory disclaimer that it does not "enhance or diminish the rights of owners of property as provided by the Constitution of the United States." The right thing for a State to do when it is forced by this legislation to prohibit any development of a given property would be to condemn it under its right of eminent domain and compensate the owner with its fair market value. The bill, however, specifically prohibits States from expending the funds it would grant for the acquisition of any interest in real property. The concepts embodied in the bill tend to mitigate against our free enterprise system and the private ownership of land for productive purposes. At a critical time in our Nation's history, when we need greater land productivity—especially in the fields of energy and food—this legislation would encourage States to go overboard in designating areas of "critical environmental concern" for fear of losing other, unrelated, Federal grant funds.

What are we going to charge the taxpayer for the doubtful privilege of giving up his right to locally determine the environment in which he wants to live? Well first of all, we are going to create a couple of new Federal agencies complete with branch offices through the country at an initial administrative cost of $10 million per year. Then we are going to authorize an additional $106 million per year for grants to the States. Not a dollar of these funds are in any way productive in our economy. They can only be used to pay the salaries, expenses and studies of a whole new power pyramid of State and Federal bureaucrats. This all adds up to a total of $878 million authorized for the first 8 years of the act, not including administrative funds after the third year. With those included the cost will run somewhere between $900 million and $1 billion. In addition we would force the taxpayer to shell out an additional 25 percent in State matching funds. Heaping taxes upon taxes, the bill would also reduce local government revenues by lowering property values throughout the Nation. So not only do we tax away the value of a citizen's property, but we tax him to death as well at all three levels of government.

I promised earlier that I would expose specific provisions of H.R. 10294 which would prevent local governments from using their powers to protect the environment and would, in fact, force anti-environmental land use upon our local communities. Let me start stripping bare this wolf from its sheep's clothing right at the beginning, with the congressional findings.

Section 101(b)(5) finds that "the selection and development of sites for development and land use of regional benefit are being delayed or prevented." What clearer call for rapid development in a region at the expense of the local environment could you ask for?

Section 101(b)(8) finds that "significant land use decisions are being made without adequate opportunity for members of the public to be informed about the impact or of the alternatives for such decisions, or to become involved in such decisions in meaningful ways." Yet this bill would reduce such opportunities by even further removing the decision-making process from local citizen control.

Section 101(b)(10) finds that "poor

and unwise restrictions upon the use of land can create undesirable housing conditions, can raise the cost of shelter, reduce competition, adversely affect employment and business conditions and impair Federal and local tax revenues, often leading to or requiring more Federal programs and greater Federal expenditures." This bill, however, would intensify exactly the same problems. Note, if you will, that this finding bemoans restrictions on land use, rather than excess development.

Let me go on to the heart of the bill. Section 104(g)(3) mandates that in developing its master plan, a State must consider, among other things, urban development, an adequate supply of housing, the continued development of expanding areas, the economic diversification of communities which possess a narrow economic base, and rural development. Let me tell you that we have villages in my suburban home district which like their narrow economic base and in fact have no commercial property at all. They prefer a clean and healthful environment to lower taxes. We have other villages and a city which have conversely chosen to allow development of private lands along a rational course acceptable to their citizens. I do not think the State has any right to come in and upset these local decisions, but this section says that they must.

The same powers that this bill would give to the States to restrict runaway development can be used to push development on a municipality which prefers to zone its land with more concern for the environment. If you do not believe me, read section 105(e), perhaps the most antienvironmental section of the bill. It requires that the State master plan must provide methods to "assure that local regulations do not unreasonably restrict or exclude development and land use of regional or national benefit." The name of regional and national priorities is invoked to override local proenvironment considerations. If a property owner wants to build a high rise apartment house—remember that a so-called adequate supply of housing must be taken into consideration—in an area of single-family suburban homes, and is unsuccessful in getting a downzoning from his local village or town, he can go to the State to overturn the zoning. If he has enough influence with State officials, and is perhaps a large political contributor, the State can turn around and say to the local government that it will not accept the local land-use zoning plan unless that apartment house is built. The State has this power under 105(e).

Mr. Speaker, the Land Use Planning Act is one of the worst and most dangerous pieces of legislation to come down the pike in many years. It would destroy the very fabric of home rule democracy. I sincerely urge that all Members go home and ask their constituents if they want to give up local control of zoning to an appointed State and Federal bureaucracy. I am confident that having done this, the House will soundly reject this legislation.

Mr. CRANE. Mr. Speaker, the land-use bill purportedly will subsidize individual State policies charting out the best means to use each State's land. But this bill is actually an inevitable, inexorable step toward a national land-use policy. If we really wanted each State to tailor its own land-use policy, we could wait until each State came to the conclusion that a statewide checkerboard is desirable—as some have already done. However, contemporary Washington chauvinism dictates that State and localities are not competent to come to such an important decision themselves, a decision which is by its very nature a local and State matter. So, with the appropriate sanctions, Congress now considers "encouraging" the States to come around to Washington's point of view. We may get a national land-use policy, but in the process, we will be treating State legislators as vassals of the Federal Government.

Just what is Congress authority to enact a bill to remap the United States? The Federal Government derives all its power from the people with whom all power originally resides. According to constitutional theory, the Federal Government has only so much power as the people delegate to the Federal Government through the States by the process of constitutional ratification and amendment. A perusal of article I, section 8 of the Constitution, the principal enumeration of Congress powers, shows that the people have given no such power. There is no constitutional mandate for Congress advising States and certainly not coercing States, with respect to certainly one of the State's most basic concerns. If we are to maintain any fidelity at all to Congress constitutional power, we would somehow have to fit the land use bill into the constitutional scheme. Since land is commercial, regulation of interstate commerce seems the only possible constitutional justification which could possibly be wrenched out of article I. But this would assume that land travels from State to State.

However, the advocates of the land-use bill are not citing the Constitution. The reason a Federal land-use bill may seem so compelling is that only the Federal Government has the power to force every American to follow one mandate. It is indeed sad to see land misused. But to insist on Federal action simply because only the Federal Government has the power to order nationwide land-use planning is to assert the old end-justifies-the-means argument. This is a pure power argument—might makes right. Especially in today's political climate, we fatigue of this expediential line of sophistry.

Of the States which are pursuing statewide land-use policies, most have opted for an amount of local input. If a State opts either for centralized control or an amount of local control, that fact does not threaten another State. To say that the Federal Government must tell every State to adopt one type of land-use planning is to ignore the very nature of Federal Government. The States are, as Justice Harlan put it, the laboratories of social experiment. The House land-use bill subsidizes statewide planning. What this actually means is that the Secretary of the Interior can, with aid of veto power and cuts in airport funds, Federal highway funds, and land and water conservation funds, decree a national policy of land use. Soon the only people interested in State boundaries will be Rand and McNally.

Mr. SYMMS. Mr. Speaker, I marvel at the callous enthusiasm Government planners have for regulating the lives of our citizens. Having succeeded in regulating production, transportation, personal safety, communication, and our moral lives, Uncle Sam is now exploring the possibility of tying up private land in a jumble of redtape. Supporters of the measure—including a surprising number of conservatives—maintain that the bill is a voluntary grant-in-aid program intended merely to encourage the States to develop their own zoning programs—not an attempt by the Federal Government to force a national program upon the States. I find this hard to believe. Every bureaucratic measure enacted has started out under a similar guise.

You see, the catch is that this so-called voluntary process entails so many specific provisions that are subject to Federal approval. Instead of carrying out their own zoning plans, the States will soon find themselves acting as mere agents for the Federal Government. For example, one provision requires Federal supervision to insure that the State planning process conforms to Federal guidelines. Another provision requires each State to have a planning agency with authority to carry out the will of the Federal Government. There is also a requirement that the States regulate land sales.

Proponents of this measure are parading their plan through the Congress under the banner of environmental protection. Look at the bill closely. I seriously question whether it is land we are protecting. I suspect what is being asked of this Congress is to protect the collectivist schemers who would return this civilization back to the days of serfdom. Who is being served by section 105(e)?—

To assure that local regulations do not unreasonably restrict or exclude development and land use of regional or national benefit.

Are the collectivists trying to tell us that local people are not free to pursue peaceful and productive activities in Homedale, Idaho, if the city of Seattle has greater need of that land for recreation purposes? Who the devil bought and paid for that land in Homedale? Who has any right to tell those people what to do with that land for the public good of all Americans? Do you realize what that section of the land-use bill H.R. 10294 is telling us gentlemen? It is saying—loud and clear—buy the ugliest piece of undesirable property you can find. That is your only guarantee against Federal planners snatching away your home and your individual liberty for the good of that great unknown quantity—the people.

Land-use planning in the sense that this bill spells out "progress" is not an objective process subject to the concerns and decisions of local people. Oh, no. The Federal Government spells out very clearly what is good planning, what is bad planning. There is a coy little phrase encouraging the States to "develop an adequate data base for comprehensive

land use planning"—and then blunders right on to tell them what this data base shall be. It continues in section 104 (G-3) to spell out the categories of productivity or use to which land may be put, implying that Federal/State planners shall decide the highest and best use of a parcel of land. I assume the next extension of the law would be in rounding up private citizens and staking them down to that plot "for the good of the people." Again, I am reminded of the serfs of early European history. They mounted a full-scale revolt. I am hoping that sentiment will develop in this Congress—before we push off this land-use fraud on the American people. With the heavy hand of Federal enforcement hanging over their heads, the people are much less prepared to fight for their rights and liberty than we are here in Congress. In case some of you have forgotten, we were elected to this Congress to protect their lives and liberty.

I want to move on to this subject of enforcement, but first let us look at another section of the bill—section 110. It is lengthy and obtuse, so I will not try to quote the language to you. It was designed to be obscure in the first place, but with a little thought, you can see through to the underlying threat. It starts out, and I quote:

Where any major Federal action significantly affecting the use of non-Federal lands is proposed . . .

Some 150 words later they have gotten the point across that if the individual State has chosen to ignore the Federal planners, these bureaucrats will hold a hearing and proceed with what they have determined to be the best use of non-Federal lands. That is a terrific little example of freedom in action, gentlemen. It comes close to being the biggest slash at our Constitution that this Government has ever tried to negotiate.

As a final blow to freedom, the bill sets forth a provision to "insure the timely siting of development, including key facilities necessary to meet national or regional social or economic requirements." Now what in the world do you suppose they mean by that? My guess, gentlemen, and I am quite sure I am right, is that the States will not be allowed to not develop. Our friend Governor Hatfield of Oregon will certainly have a tough time swallowing that little gem. His State has earmarked a lot of money to stop certain kinds of development. Oregon is a relatively pristine example of open land and beautiful scenery. We feel the same way about the State of Idaho, but it appears that the land-use bill will now dictate how many people we shall support, where we shall house them, and what kinds of production they shall engage in "for the good of the people." I am beginning to wonder just who these "peepul" are that the land-use bill refers to. They sure are not my friends and neighbors—those good people are anxious to make their own decisions through local government. I doubt that they are your friends and neighbors either. Before we take another step forward with this land-use bill, maybe we better get the people we are saving more clearly identified.

And so what happens if a State chooses to ignore Federal planners? Unlike the serfs, you can not just go around hanging States in this day and age. So, you design "sanctions" against uncooperative States—States, I presume, where the people still hold to that old-fashioned idea that men can make their own decision. In reading the sanctions proposed by H.R. 10294, one thought came to mind—"You really know how to hurt a guy." Failure to enact a land-use planning program that satisfied the Federal Government within 5 years can wipe out up to 21 percent of your Federal funds for airport and airway development. It also wipes out the same amount from your Federal-aid highway funds. In case that does not stir up the taxpayers enough, they also chop 21 percent of your State's share of the land and water conservation fund. That is not legislation. That is plain old-fashioned blackmail.

In my letters to the citizens of Idaho who are appalled by this bill, I have said that it is an erosion of constitutional guaranteed property rights. I have often questioned at what point erosion becomes a flash flood. The fifth and 14th amendments to the Constitution of the United States provide that private property shall not be taken for public use without just compensation. Thus, the critical issue is how far the use of property can be restricted without compensating the property owner for diminution of value. This bill forbids the States from expending any grant of money for compensations of this nature.

There is one last aspect to this bill that strikes me as very clever indeed. We are not proposing to just strip the American people of their rights to private property. We are going to let them finance the operation to the tune of $878 million over an 8-year period—assuming we can grind this monster to a halt at the end of 8 years. If you think the American people are going to take that lying down, you are wrong. You are backing the golden goose into the corner, gentlemen, and those of you who fail to block passage of the land-use bill will be caught with a lot of feathers in your mouth. You will be an easy target for the new breed of American serfs.

Mr. BURGENER. Mr. Speaker, too often we find ourselves listening to only one side of an argument. Such is the case with the current drive for a national land-use policy.

Recently the proponents of a national land-use policy have been carefully dropping the word "national" from their discussions, in what I assume is an attempt to placate some of their critics and to assure easier passage through the Congress.

It is true that the legislation that passed the Senate in June and the legislation before the Interior Committee do not call for national land-use policies per se, but this legislation does exert very strong Federal controls over how this country will develop its urban, suburban, and rural lands in the future.

This is nothing less than the opening of the door. We may not have total national control over the use of our land immediately if this legislation passes in its current form, but it will lead us in that direction.

To insure that we head in that direction the Senate-passed bill mandates a 3-year study by the Council of Environmental Quality to determine and recommend what the proposals for national land use should be.

This is to be an in-depth study and the bill sets down 12 specific policies that must be fully considered. It is my understanding that the Interior Committee is also considering similar language.

We are being constantly assured by the proponents of this legislation that the States will have almost total control in developing their land-use plans and that the Federal Government will just be there overseeing their activities. A close study of the actual wording of these bills reveals the unlikeliness of these assurances.

Many specific and lengthy Federal guidelines and regulations are set down in the bills for States to follow, and the States must comply with these guidelines to be eligible for Federal grants. In other words, the Federal Government will be saying to the States—we do not care how you arrive at your land-use goals as long as you follow these regulations and if you do not follow them, you will not be eligible for any of our money. That is what is known as the stick approach. The Federal Government is going to be clubbing the States over the head with this legislation. I hope the Members here in the Congress realize what is really going on with this legislation and act appropriately before the people of this country start coming up here to club us over the head for taking their property.

Mr. RUNNELS. Mr. Speaker, I would like to take this opportunity to express some of my thoughts on the land-use legislation which we will probably be acting on later this session.

I am concerned about the lack of understanding of the basic issues involved in this legislation. I fear that this lack of understanding prevails not only in the average citizen of the United States, but also to the elected officials of the people—here in Washington and on the State and local levels.

The land-use legislation which passed the Senate this past June is another example of "good-sounding" legislation which would be hard to oppose if only the title were read. No one wishes to see our land desecrated but neither should we allow the Federal Government to become the force that decides how an individual's private property is to be used.

Throughout our history, the fifth amendment has guaranteed the citizens of America that their private property would not be taken without just compensation. With the passage of the Senate bill and with reports such as the Rockefeller Task Force Study on land use coming out, this right is under attack.

The Rockefeller report is concerned about the traditional views that the Supreme Court has taken on these guaranteed rights of property owners and hopes that the Court will begin to reconsider its past decisions and come up with a more "modern" approach. By this the

task force means that from now on development rights on private property should rest with the community, instead of with property owners.

This is a dangerous approach—it not only challenges the meaning of private property rights as we have known them but could well destroy them.

I urge my colleagues in the House and especially the members of the Interior Committee to carefully consider the implications involved in this issue and to make well thought-out decisions in determining the future existence of private property rights in the United States.

Mr. ROUSSELOT. Mr. Speaker, it is indeed ironic to think that the government that was formed some 200 years ago to protect the private property of individuals in a new, free country is now making a power grab for that property.

Proposed land-use legislation poses an insidious threat to private property ownership. The bill, which would authorize Federal grants to the States, which agree to set up their own land-use policy, is accompanied by Federal requirements copious enough to destroy individual and State autonomy with regard to property ownership.

Although we may have a pollution problem in the more densely populated parts of the Nation, it behooves us, as a body concerned not only with the present moment, but with the fate of our children and grandchildren, to consider the dire ramifications of land-use legislation precipitously passed under the label of "environmental preservation."

The land-use bill offers the States grants over an 8-year period for use in the development of statewide zoning programs. I believe that the Federal Government has no right to encourage statewide zoning in return for Federal funds, especially in States that do not have statewide zoning.

As is the case with so much of our far-reaching Federal legislation, the land-use bill extends the fingers of Federal Government into the very fabric of our tradition of local control and private property ownership.

Prof. Murray N. Rothbard in his book "For a New Liberty" writes:

> Property rights are human rights, and are essential to the human rights which liberals attempt to maintain.

Yet, if we pass the land-use bill we will be foregoing this very basic right in return for a vague promise of environmental preservation, regulated by the Government.

Although we may in this country be beset by our share of environmental problems, it is only fair to the individuals whose rights we must safeguard, to keep these questions within the framework of a proper perspective. If private property is indeed the key to individual freedom as our history, back to and beyond Magna Carta, indicates then we will indeed be giving away basic rights by passing the proposed land-use bill.

Mr. ROBINSON of Virginia. Mr. Speaker, the American concept of private property ownership may be in serious jeopardy if this legislative body elects to make law a Federal land-use bill, which would permit the Federal Government almost unlimited freedom with regard to the use of undeveloped property.

The land-use bill would pay large Federal grants to those States which agree to a statewide zoning plan which would be carried out under the supervision of a State planning agency designed to wreak on the State the will of the Federal Government.

Once a State has agreed to the Federal plan, it is likely that sanctions—such as withholding of highway funds—will be meted out to those who do not comply closely enough with the will of the Government.

The bill leaves it up to the Interior Department to determine which lands are "areas of critical environmental concern" and which should therefore undergo restricted development. Thus serious limits would be imposed on an individual property owner—or a State for that matter—with regard to the use of property.

Under this bill there is a great deal of concern expressed for environmental quality, but very little for the rights of the individual or the autonomy of local government. The fact that this bill serves as a door opener for further threats to private property and individual freedom is a statement by Senator EDMUND S. MUSKIE:

> This is something like the psychology of a second shoe falling. The bill is the first shoe, and it will give a clear indication, if adopted, to the states that Congress is serious about this business. If the states do not respond effectively, Congress is thinking of sanctions in 3 years.

Freedom is never taken away without a good reason. That is why the burden rests upon us legislators to examine the stated reasons for removing a particular freedom and ask ourselves, "Is this worth the abolition of basic rights?" Few things are. We, as a body, should be concerned with preserving property rights by preventing government from encroaching on the individual. If we pass the land-use bill, we would be giving away what we should strive to preserve. It would certainly symbolize a regressive step upon the long road to individual freedom we have traversed since the 13th century and Magna Carta.

The German free enterprise economist, Wilhelm Roepke, describes quite eloquently the importance of private property to a nation of free men:

> If property, together with its inseparable concomitant, the law of inheritance, ceases to be one of the natural and primary rights which need no other justification than that of law itself—then the end of free society is in sight.

Mr. RARICK. Mr. Speaker, the tax-supported Council on Environmental Quality, a segment of the executive branch, has called land use control the "quiet revolution." It is, indeed, a revolution. The reason that it is quiet is that the American public has not been informed of the depth and consequences of this "revolution."

Land use control and legislation advancing its end threaten the right of private property, the very basis of our economic system. This is an emotionally charged issue that confronts all Americans. Historically land ownership has been equated with freedom in America. By limiting the use that an individual can make of his land, the Federal Government is in actuality limiting his personal freedom.

Just a few days ago, the President said:

> Land use control is perhaps the most pressing environmental issue before the Nation. How we use our land is fundamental to all other environmental concerns.

The President went on to say—

> I urge the Congress to enact my proposal for land use control, a proposal which would authorize Federal assistance to encourage the States—in cooperation with local governments—to protect lands of critical environmental concern and to control growth and development which has a regional impact.

Mr. Speaker, the President is wrong in his basic assumption: We do not own our land. An individual owns his land. What the President proposes is to place the collective right over and above the individual right of land ownership.

Mr. Speaker, we have seen other societies—such as Cuba, Chile, the Soviet Union and Red China—take similar collectivist actions in the name of land reform. The issue then, Mr. Speaker, is clear: Are we to have a free society with individual ownership and the right of private property, or are we to live in a collectivist state? Once freedoms are surrendered to governments, they are never willingly returned by that government to its people. History is clear on this.

We all share the President's concern over environmental quality. We must not, however, allow scare tactics employed in the name of environmental preservation to force us into actions that threaten the constitutionally secured freedoms of the individual. We must not allow our concern for the environment to blind us to the fact that basic freedoms are placed in jeopardy from this concept.

The recently passed Federal flood insurance bill is a prime example of the problems involved with land use legislation. We will recall, Mr. Speaker, that piece of legislation was advanced as giving greater flood insurance coverage to more Americans; however, it was, on the face of it, a *compulsory* land use bill. A close examination of this bill revealed a powerful Federal blackjack which would prevent any Federal officer or agency from approving any financial assistance in areas which fail to submit to Washington's directives on land use.

These include highway funds, Small Business Administration loans, grants to education, disaster assistance, money for health facilities, and most other forms of Federal moneys. This Federal club is clearly intended to bludgeon local communities into submission to Federal edict. This moves far beyond the original intent of a Federal flood insurance program which I have in the past supported. Mr. Speaker, the loss of private property rights is too high a price to pay for increased flood insurance coverage.

Mr. Speaker, the Constitution clearly

indicates the importance our Founding Fathers placed on the right of private property. The fifth amendment to the Constitution clearly says that—

No person shall be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

This is a right that must be preserved for all Americans.

A related newsclipping follows my remarks:

[From the Washington Star-News, Sept. 7, 1973]

BILL ON LAND USE OMINOUS

(By James J. Kilpatrick)

SCRABBLE, VA.—Some years before he became the Father of Our Country, George Washington spent the summer of 1749 surveying in Northern Virginia. On July 24 he laid out the town that eventually would bear his name and become the county seat of Rappahannock County. That was the last significant planning done in our county until last Thursday evening, when everybody went down to the courthouse to talk about a zoning law.

I mention our local situation by way of backing into some observations on the Federal Land Use Policy and Planning Assistance Act. The bill passed the Senate by a vote of 64–21 on June 21. The House Interior Committee has completed its own hearing on a batch of similar bills, and a House version will reach the floor in a couple of months.

In its present form, the Senate bill may be a mildly useful bill. Potentially, in terms of our political values, it is the most dangerous and destructive piece of legislation ever passed by the Senate.

At the moment, the bill is no more than an enabling or authorizing bill. It would provide $100 million a year for the next eight years in federal grants to the states. The money would be used to foster the development of comprehensive plans within each State for the use of land. If this is truly all there is to the bill, about the worst that could be said of it is that it is obviously expensive and probably unnecessary. If Rappahannock County, Va., pop. 5,199, can finally get around to a zoning law, no community in the nation need despair of local action. We are not what you would call impetuous up here.

But I suspect there is vastly more to this bill than meets the eye. This bill has a nose like a camel; it has an edge like a wedge. I listen to the fervent declamations of its sponsors, whooping it up for states' rights. What I hear is the squeak of a door opening; I hear the first shoe falling.

Back in June, when the bill was before the Senate, a little amendment was offered. It was an amendment "to provide additional encouragement to states to exercise states' rights and develop state land-use programs." The additional encouragement went this way: If the states failed to adopt land-use programs in line with ideas of how land should be used, the states would lose part of their federal aid for highways and airports. In parliamentary jargon, this device was described as a "crossover sanction." What it was, was extortion.

The amendment failed, but failed by only eight votes. It is a fair assumption that his "sanctions" will be urged anew in the House, for such compulsions lie at the very heart of the liberal's view of the federal role. Such a liberal sees the countryside as unplanned, ugly, inefficient, helter-skelter and disorderly; he longs to impose professional planning that is rational, sensible, balanced, orderly, prudent and sound.

The need for wise planning in the use of our land is self-evident. It has been self-evident since Augustan Rome, when zoning laws first were decreed. But cherished principles of private property will be undermined and solid safeguards of federalism will be destroyed if ever we leave it to a federal bureaucracy to say what planning is wise. Except where regional interests truly are involved, such decisions ought to be made down at the courthouse on a Thursday night.

Democracy is a charming form of government, Plato remarked, "full of variety and disorder." This element of "disorder" is vital to freedom. I do not want our beautiful country despoiled by the ticky-tacky Monopoly houses of a sub-divider—I pray our new law will prevent this—but neither do I want the use of our land determined, in effect, not in Washington, Va., but in Washington, D.C. Senate liberals insist that this is not what they have in mind. So be it. They may not have it in mind for right now, but be forewarned: They have it in mind for later on.

AID TO SMALL COMMUNITIES PROVIDED UNDER "THE HOUSING AND URBAN DEVELOPMENT ACT OF 1973"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, I wish to commend to Members of the House a very comprehensive and progressive piece of legislation proposed recently by our colleagues, Mr. BARRETT and Mr. ASHLEY of the Housing Subcommittee. Their bill, H.R. 10036, the "Housing and Urban Development Act of 1973", attempts to meet many of the perplexing problems involved in Federal housing and community development activities. Mr. BARRETT and Mr. ASHLEY should be congratulated by all Members of the House for their continued leadership in this area.

While I have not studied the entire bill, I have looked carefully at the provisions of the legislation which would provide assistance for housing and community development activities to small communities, of under 50,000 population, primarily in our rural areas. In my opinion, the bill is most commendable in this area, providing substantially increased funds for smaller rural communities in both housing and urban development than is now the case under existing HUD programs.

The principal aid for smaller communities is contained in chapter I of the bill, which proposes a program of block grants for community development and housing activities. The community development block grant program in this proposal is very similar to that contained in the Small Communities Planning, Development and Training Act, which I first introduced in the 92d Congress.

As my colleagues in the Congress know, the 1972 omnibus housing bill, which failed to receive favorable action by the Rules Committee due to the lateness of the session, contained a program of block grants for community development which was in most respects virtually noncontroversial. The block grant program would have provided $2.5 billion during the first year of the program for block grants for a variety of community development activities. Five hundred million dollars of this would have been allocated to small rural communities outside of the Nation's metropolitan areas. These funds would have been in addition to any sums for rural development activities authorized by legislation under the jurisdiction of the House Agriculture Committee on which I serve.

Chapter I of H.R. 10036 contains the community development block grant proposal originally in the 1972 bill. It would provide $8.25 billion for community development activities over a 3-year period beginning in fiscal year 1976. Of these funds $1.65 billion would be allocated to smaller communities in rural areas. Again, these funds would be in addition to any sums provided pursuant to legislation under the jurisdiction of the Agriculture Committee. The $500 million allocated to smaller communities in the first year of the program is substantially more than these communities receive annually under the various HUD programs.

By comparison, the administration's special revenue sharing bill, entitled "The Better Communities Act," provides $2.3 billion annually for community development activities, but does not allocate any funds specifically for smaller rural communities. Approximately 20 to 25 percent of the funds would be available for all communities under 50,000 both in and outside metropolitan areas. In my opinion, smaller communities will receive substantially more assistance under the Barrett-Ashley bill than under the Better Communities Act.

These community development funds may be used for a great variety of purposes by smaller communities. In general, any activity that may be undertaken under existing HUD programs—urban renewal, water-sewer facilities, open space land acquisition, rehabilitation loans and grants, advance acquisition of land, and health, social, counseling, and training services carried on under the very broad model cities program—may be carried on by small communities under the bill. In addition, a community could include in its community development program the construction of facilities or the undertaking of other activities now funded by other Federal agencies and use part of its community development funds to pay the local share required under the non-HUD program.

For example, a locality's program could involve the following activities:

First, eliminating slum and blight in the downtown business district, acquiring land, and reselling the land for new commercial, industrial, or other uses;

Second, carrying on a code enforcement program in a deteriorated area of the community;

Third, purchasing land for small parks or recreational areas;

Fourth, purchasing and reselling land needed for housing construction;

Fifth, building new or extending water-sewer lines to serve newly developed areas;

Sixth, purchasing land for future use for a public facility planned for later construction; and

Seventh, building a waste treatment facility using a 50-percent Department of Interior grant or a hospital using a 50-percent HEW grant.

Under the bill HUD would finance, through the community development block grant program, the full cost of these activities approved as part of the locality's program. In the case of the Interior and HEW grants, the HUD funds would pay the full local 50-percent share required under the Interior and HEW programs.

It is obvious that hundreds of smaller communities throughout the country would benefit greatly through adoption by the Congress of these important provisions.

Chapter I of the bill includes a new housing assistance block grant program, which I believe merits the most careful consideration of all Members of the House. Members will recall the bitter controversy in 1972 over the future of existing Federal housing subsidy programs. That controversy led to the administration's unilateral suspension of these programs in early January of this year. Since January 5, 1973, HUD has refused to permit the construction of thousands of urgently needed housing units for low- and moderate-income families throughout the country.

The housing assistance block grant program is an important and innovative effort by Mr. BARRETT and Mr. ASHLEY to resolve the controversies which have called into question all Federal efforts in this area. I plan to give these provisions the most careful study possible.

In brief, the bill would authorize $2.25 billion for housing assistance programs over a 3-year period beginning in fiscal year 1976. The funds would be distributed in substantially the same manner as the community development block grant funds. Five hundred and sixty-two and a half million dollars would be allocated directly to smaller communities in rural areas. Again, and this is most important, these funds would be in addition to the substantial funds authorized for rural housing activities under the Farmers Home Administration program.

Housing block grant funds would be available for the same kinds of activities now permitted under the existing housing subsidy programs; that is, subsidizing interest rates as under the sections 235 homeownership and 236 rental assistance programs, making rent supplement payments as under the rent supplement program; making rehabilitation loans and grants as under the urban renewal program; and providing seed money loans to nonprofit housing sponsors. Housing assisted under the block grant program could be sponsored by private builders and nonprofit organizations and local housing authorities.

A significant feature of the bill is the effort to make community development and housing programs mutually supportive. Any community which applies for a community development grant must present a housing plan covering a 3-year period. The Secretary of HUD would make housing assistance funds available to that community as a condition of granting community development funds. However, the bill wisely recognizes the urgent housing assistance even in those cases where community development funds are not being requested.

Obviously, these provisions are very far reaching and require careful study by all Members. I believe that the provisions hold great promise for fulfilling the housing and community development needs of rural areas.

I urge all Members to read the bill and the explanations provided by Mr. BARRETT and Mr. ASHLEY carefully.

ALL FDIC-INSURED BANKS REQUIRED TO MEET FEDERAL RESERVE SYSTEM RESERVE REQUIREMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, I have introduced a bill today to make all FDIC member banks subject to the reserve requirement regulations of the Federal Reserve Board.

Under present law, only Federal Reserve member banks must meet these requirements. Nonmember banks are exempted, regardless of whether the deposits they hold are federally insured. Nearly 60 percent of the Nation's approximately 14,000 banks—or more than 8,000 banks—are now exempt. H.R. 10381 would bring all but about 200 uninsured banks under the Reserve Board's reserve requirement regulations.

H.R. 10381 will not require these newly covered banks to join the Federal Reserve System. They will only have to meet its reserve requirements, phased in over a 5-year period. Immediately upon enactment, reserve requirements for newly covered banks will be 25 percent of those of member banks, going to 40, 55, 70, 85, and 100 percent in the next 5 years.

Federal Reserve authorities have said that their control over the growth of the Nation's money supply is seriously limited by nonmember banks' not being subject to reserve requirements. At present, 21 percent of demand deposits and 24 percent of time deposits are exempt, and these percentages have been increasing about one-half of 1 percent per year. Under H.R. 10381, only about one-half of 1 percent of both demand and time deposits would be exempt from Federal Reserve Board reserve requirement regulations.

I believe that H.R. 10381 provides a missing link in the chain connecting the supply of reserves to banks and the supply of money. It will permit the Federal Reserve to exercise better control over money supply, and contribute to the achievement of more stable economic and financial conditions.

A section-by-section analysis of H.R. 10381 and the text of the bill follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 10381

Subsection (a) of section 1 of the bill amends section 8(a) of the Federal Deposit Insurance Act (relating to termination of status of insured banks) to include the violation by an insured bank of section 19(k) of the Federal Reserve Act (added by section 2 of the bill and requiring insured nonmember banks to maintain the same ratio of reserves against deposits as comparably located member banks maintain) as a reason for termination of status as an insured bank.

Subsection (b) of section 1 of the bill amends section 8(b) of the Federal Deposit Insurance Act (relating to termination of status of insured banks) to permit appropriate Federal banking agencies to issue cease-and-desist orders against insured banks which violate section 19(k) of the Federal Reserve Act (added by section 2 of the bill).

Section 2 of the bill amends section 19 of the Federal Reserve Act by adding a new subsection at the end of it which requires nonmember insured banks to maintain the same ratio of reserves against deposits as comparably located member banks maintain pursuant to section 19(b) of the Federal Reserve Act. There is a 5-year phasing-in period to effect such result.

Section 3 of the bill provides that the amendments made by the bill shall take effect on the thirtieth day beginning after the date of its enactment.

H.R. 10381

A bill to amend the Federal Deposit Insurance Act and the Federal Reserve Act to require every bank insured under the Federal Deposit Insurance Act to maintain reserves against its deposits in the same manner and to the same extent as are member banks under the Federal Reserve Act, and for other purposes

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

SECTION 1. (a) The second sentence of section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended by inserting ", or section 19(k) of the Federal Reserve Act or any rule prescribed thereunder," immediately after "or any written agreement entered into with the Corporation,".

(b) The first sentence of section 8(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)(1)) is amended by inserting ", or section 19(k) of the Federal Reserve Act or any rule prescribed thereunder," immediately after "or any written agreement entered into with the agency,".

SEC. 2. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k)(1) Except as provided by paragraph (2) insured banks (other than member banks) shall maintain the same ratio of reserves against deposits as comparably located member banks maintain pursuant to subsection (b). The reserves held by any such bank to maintain such ratio shall be in the form prescribed by subsection (c), except that each such bank shall maintain balances for purposes of this subsection in the Federal Reserve bank of the district in which the principal office of such bank is located.

"(2)(A) During the twelve-month period beginning on the effective date of this subsection, any insured bank (other than a member bank) shall satisfy the requirements of paragraph (1) by maintaining 25 percent of the reserves against deposits maintained by comparably located member banks pursuant to subsection (b).

"(B) During the twelve-month period beginning at the close of the twelve-month period described in subparagraph (A), any insured bank (other than a member bank) shall satisfy the requirements of paragraph (1) by maintaining 40 percent of the reserves against deposits maintained by comparably located member banks pursuant to subsection (b).

"(C) During the twelve-month period beginning at the close of the twelve-month period described in subparagraph (B), any insured bank (other than a member bank) shall satisfy the requirements of paragraph (1) by maintaining 55 percent of the reserves against deposits maintained by comparably located member banks pursuant to subsection (b).

"(D) During the twelve-month period beginning at the close of the twelve-month period described in subparagraph (C), any insured bank (other than a member bank) shall satisfy the requirements of paragraph (1) by maintaining 70 percent of the reserves against deposits maintained by comparably located member banks pursuant to subsection (b).

"(E) During the twelve-month period beginning at the close of the twelve-month period described in subparagraph (D), any insured bank (other than a member bank) shall satisfy the requirements of paragraph (1) by maintaining 85 percent of the reserves against deposits maintained by comparably located member banks pursuant to subsection (b).

"(3 For purposes of this subsection, the term 'insured bank' shall have the meaning given it by section 3 of the Federal Deposit Insurance Act.

"(4) The Board shall prescribe such rules as may be necessary to carry out this subsection."

SEC. 3. The amendments made by this Act, shall take effect on the thirtieth day beginning after the date of enactment of this Act.

THE FUTURE OF THE MINIMUM WAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, one of the most difficult votes I have had to cast in this House was the one today on sustaining the veto of the minimum wage bill. I voted to sustain that veto. I did so, because it was the only parliamentary process available under the Constitution to force a compromise between the Congress and the President on this matter. The minimum wage bill, as passed by the Congress, as vetoed, as sustained, is now dead. But the issue is not.

I believe it is certainly the time for a rise in the minimum wage floor. I am for such a raise; in fact, I can support a $2 per hour immediate level. But, I could not support the entirety of the provisions contained in the legislation which was vetoed.

I want to emphasize that my vote to sustain the veto of this legislation should not be construed as an endorsement of the administration's overall program to curb inflation or tacit concurrence with the specious argument that the minimum wage increases are inflationary.

Mr. Speaker, this Nation is in dire fiscal straits. The dollar is weak, and it shows no encouraging signs of rejuvenation in the world markets. A third devaluation could destroy the backbone of the already declining confidence—at home and abroad—in the dollar. And, that could produce a recession of no small consequence, wiping out many, if not most, of the jobs which the Congress thought it was enhancing by passing a minimum wage increase. We must, in my opinion, approach the issue of a minimum wage increase with a spirit of cooperation which has not, of late, characterized relations between the administration and the Congress.

Many working people in my district, many of whom are personal friends, called to ask that I vote to override the veto. It is always difficult to be put in a position which appears on the surface to be a vote against a segment of the work force with which you have common aspirations for the community. But this issue cannot be resolved on either an emotional plane or upon first impressions of the merits and demerits of this legislation. Some of the proponents of overriding the veto today spoke in tones which can accurately be described only as scare tactics. Yet, the fact remains that the existing minimum wage remains in effect. And, if reason rather than partisan rhetoric prevails, there is ample time to hold additional hearings, if necessary, to have the administration send forth a message to the Congress on a proposed solution, and for the Congress to act. This can all be done before the end of the current session. After all, it took about 2 days for the Congress to lift the "blackout" of pro football games.

CONCERNS WHICH SHOULD BE EXAMINED

Mr. Speaker, as I indicated at the outset, I support an increase in the minimum wage, if that increase is reasonable, properly timed, contains appropriate exemptions for those work forces which have been proved to be hurt by increases in the minimum wage—mostly the marginal worker and young people in part-time jobs, and for a duration of time which permits the Congress to reexamine it before locked-in additional increases would go into effect. We hardly know what the state of our domestic economy will be these days within months; thus, it is not unreasonable to oppose automatic increases which will take place in the far distant future.

What are these concerns, in summary?

First, one-third of America's poor families, and one-half of the individual poor with no families, have no traceable source of monetary income. What are the prospects for these unskilled, hard-core unemployed? Studies indicate that during the 10-year period from 1959 through 1968, low-skill jobs increased at less than 10 percent of the rate at which other jobs increased in the manufacturing, retail, and service industries. We must be mindful, therefore, that minimum wage legislation, if too high, may be mandating an hourly wage for nonexistent jobs. In discussing young people who are also members of minorities, whose position in the job market could have been doubly threatened by the vetoed bill's lack of a youth differential, Paul Samuelson, the noted economist, asked:

What good does it do a black youth to know that an employer must pay him $1.60 an hour if the fact that he must be paid that much keeps him from getting a job.

Second, by proposing to have raised the general wage floor, the vetoed legislation would have primarily benefited only those employees already securely entrenched in the labor market by giving them greater leverage at the bargaining table. This "ripple" effect could have a disruptive effect on the entire employment picture and the wage structure of the Nation. A sensitivity to prevailing economic conditions dictates a gradual phase-in of the increase, as was done under the 1961 and 1966 minimum wage amendments.

Third, we must be ever mindful that the worth of a man's services cannot be increased simply by making it illegal to offer him anything less than a lawfully defined sum. Wage floors determined by legislation run the risk of depriving the marginal worker of his right to earn the amount that his situation and abilities would permit him to earn and at the same time depriving the community of the services he is capable of rendering.

Fourth, the fact that inflation has eroded the minimum wage levels established in 1966, when the Fair Labor Standards Act was last amended, is adequate justification for enacting only a reasonable increase in minimum wage rates at this time.

Fifth, the vetoed bill would have violated the same basic economic principle which the administration has disregarded in its economic stabilization program. That program is based on the imprecise premise that artificial price levels set below the true market value of a commodity will bring the consumer relief from rising prices. Experience has demonstrated that price controls generate shortages in those items for which there is a high demand. Elimination of the profit incentive destroys the impetus to meet consumer demand. Conversely, overpricing of items not in demand would result in surpluses. The consumer is the best arbiter of prices. The same argument is applicable to the arbitrary establishment of wage rates at a level higher than the market will bear. The consumers, in this case, employers, cannot afford to buy at those prices.

Sixth, while it is admittedly difficult to accurately measure the impact of minimum wage adjustments on unemployment, there are several highly regarded studies demonstrating that minimum wage increases result in corresponding increases in unemployment rates—at least for marginal workers. Economist John M. Peterson and Charles T. Stewart, Jr., in their study, "Employment Effects of Minimum Wage Rates," published by the American Enterprise Institute for Public Policy Research, conclude:

Both theory and fact suggest that minimum wage rates produce gains for some groups of workers at the expense of those that are the least favorably situated in terms of marketable skills or location.

Within low-wage industries, higher wage plants gain unfairly at the expense of the lower wage plants. Small firms tend to experience profit losses and a greater share of plant closures than large firms. Teenagers, nonwhites, and women—who suffer greater unemployment rates than workers in general—tend to lose their jobs, or to be crowded into less remunerative noncovered industries, or to experience more adverse changes in employment than other workers. De-

pressed rural areas, and the South especially, tend to be blocked from opportunities for employment growth that might relieve their distress. Given these findings, the unqualified claim that statutory minimums aid the poor must be questioned. The evidence provides more basis for the claim that while they help some workers, they harm those who are least well off.

Lastly, those most perversely affected by this minimum wage bill are disadvantaged youth. Annually, hundreds of thousands of unskilled teenagers are seeking entry into the labor market for the first time and are unable to find jobs. It is self-evident that it costs more to hire a teenage worker than an adult. He needs more supervision, more training, and more time to learn his job. Employment opportunities for young people would be greatly enhanced by a minimum wage bill that included a significant youth differential. It is essential for the novice to the labor market to acquire skills which will increase his productivity and enable him to take his full place in the labor force.

TIME IS AVAILABLE FOR ACTION

Mr. Speaker, earlier this session, vetoes of the Vocational Rehabilitation Act and the Older Americans Act resulted in compromise legislation which will substantially relieve the plight of the handicapped and the elderly. It is in the spirit of the reasonable compromises which arose in those two cases, that I, for one, voted today to sustain the veto of the minimum wage bill. I urge the President to come forth at the earliest possible moment with a new message, stating what the administration perceives to be the acceptable compromise. If hearings are necessary—and I hope they are not, for they are time consuming, and the Members of this and the other body, know the issues sufficiently—they should be immediately scheduled. I hope that the leadership of the committee will bring compromise legislation to the floor at the earliest opportunity. Certainly, there is no reason for a compromise bill not to become law before the end of this session.

LEFTIST INFLUENCE IN WEST GERMANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 20 minutes.

Mr. BLACKBURN. Mr. Speaker, recently, a remarkable statement has come to my attention. It was made by Dr. Hans Josef Horchem, Assistant Secretary of State of the city-state of Berlin—Senatsdirektor—at a NATO conference in Oslo, Norway, during June of this year.

The statement is remarkable not only because it documents leftist infiltration and influence in West Germany but because Dr. Horchem is a member of the Social Democratic party—SPD. In the statement he lays out in cold terms the plans of the radicals to take over democratic institutions. This outline has profound significance for the entire free world. I would hope that in particular, our State Department would take cognizance of this pronouncement, and in particular, I would like to call it to the attention of Dr. Henry Kissinger, who is the chief architect of our policy of détente with the Communists. Therefore, Mr. Speaker, I insert the Horchem report, both the English translation as well as in the original German transcript, in the RECORD.

[From Staatliche Pressestelle Hamburg
August 8, 1973]

EUROPE AND MARXISM

I. War has weakened societies in the past. The Communists have seen this and have been able to exploit it. Today they believe that world war might mortally weaken their own society. Therefore they have searched for and found what they hope may prove to be an alternative means of weakening the fibre of our society. And it has the great advantage that it does not carry with it the dangers which war would bring to their own society.

That means is economic, diplomatic and political subversion, all forming part of a single, many-sided but unified assault. It is 'peaceful', yet its intention is as lethal as war itself. This is what 'peaceful co-existence'—'the peaceful competition between different forms of society'—means to the Communists, and it is vital that the non-Communist world should realize this.

II. Particularly political subversion is getting a new dimension in the past few years. Today it is easier for Communists to influence political questions and even to gain strongholds in certain institutions of our democracy than it was ten years ago. One of the main reasons for the greater possibility of success for communist subversion is a revival of Marxism which the Western World has been experiencing since the late '60s.

Europe's students today are reading Lefebvre on Marx, Fromm on Marx, Lukács on Marx, Gramsci on Marx, Althusser on Marx, Gorz on Marx—even Marx on Marx. They are packing university courses in Marxist philosophy, political science, sociology and economics—even at Catholic institutions such as Louvain in Belgium and Nijmegen in Holland. In some universities—for example, West Germany's Bremen, West Berlin's Free University and the "Red" French universities of Nanterre and Vincennes—Marx-oriented studies dominate the curriculum.

Whatever the differences in their goals and tactics, the Marxists of Western Europe remain united in one long-range aim that is faithful to Marx's philosophy: to bring down the capitalist system in Western Europe. In this respect, the democracies of Western Europe face the most serious and widespread domestic threat since the rise of fascism in the early '30s and the Communist bid for power in Italy in 1948.

What makes all this enthusiasm astonishing is the fact that Marxism has not lately won any notable victories or demonstrated any lasting doctrinal success. On the contrary, Marx's major prophecies—the inevitability of Communism's triumph over capitalism, the impending outbreak of the world-wide workers' revolution—totally failed to be realized. His theory of dialectic materialism ignores the realities of human nature by arguing that economic forces alone shape the fates of men and nations.

He failed to comprehend the depth of emotional allegiance that nationalism could command in many people. He underestimated the vitality and adaptability of capitalism. He was unable to resolve realistically the contradictions inherent in his thesis that the dictatorship of the proletariat could bring with it untrammeled human freedom. Marx's writing was so turgid that even today few people are able to wade all the way through what Marx considered his crowning work, "Das Kapital".

But one profound aspect of Marxism has endured. As the French Critic Raymond Aron puts it: "If Marx is as strong today as he has ever been, it is because of his questions, not his answers." The early Marx asked many of the same questions about the nature of society that today so trouble young people throughout the world. Like them, he was living through a turbulent transition—from the agrarian to the industrial age—and he feared what the new machines were doing to the human spirit. One of his most lasting themes dealt with man's "Entfremdung", literally his "estrangement", or "alienation". It was not so much that the economic processes of the industrialized society "exploited" man, he argued, but that they estranged him from his essential humanity. They turned him into just another "tool" of technology, which now controlled him. In Marx's view, man's historic striving has always been toward greater freedom. The constrictions of technology prevented him from creating a more perfect and freer society.

It is in some ways an appealing line of reasoning. And among many Western Europeans there is a pervasive disenchantment with capitalism. The young often become quickly sated and bored with the affluence in Today's Europe. Their malaise first surfaced violently in the May 1968 troubles in Paris and, if anything, that conviction has grown stronger. For one thing, young people tend to compare the realities of the capitalist experience with a perfectly idealized version—and often highly exaggerated vision—of a Communist society. Not surprisingly, capitalism comes off a poor second!

"What do we offer as a counterbalance?" asks Cologne University Sociologist Erwin Scheuch. "Pragmatism and technocracy. These can be exciting within a framework of ideology, but in an ideological vacuum they are dry stuff." Ernest Mandel, the Belgian Marxist, agrees: "Western Europeans feel that there are fundamental shortcomings in contemporary society. Western European youth has rediscovered Marxism as a philosophy of rebellion and not as a state religion." Beyond this there is the essential appeal of humanitarian Marxism, a world that offers security in 'feeling correct' about a political line, a world that demands sacrifice. And the younger generation today wants to sacrifice. They want to belong, and there is a definite sense of belonging in Marxism.

Still, the influence of Marxism in Western Europe has been uneven. In some areas it is as yet little more than an intellectual fad, while in others it has become a growing political factor.

Marxism has made few inroads in Britain, where the tradition of civil and individual liberties has rendered institutions invulnerable to the demanding disciplines of the far left.

In Scandinavia, the various Marxist factions have so far been only a nuisance but a busy, burrowing, active one. In Sweden, for example, Marxists have adopted hit-and-run tactics to provoke wildcat strikes among auto and shipyard workers, but so far with no success. Danish Marxists went too far at Aarhus University, where they captured control of the student government and demanded the right to determine the curriculums.

But it is not in Scandinavia, with its spiritless welfarism, that the Marxist struggle is significant; the action is in Western Europe's three most populous nations: West Germany, France and Italy.

III. Marx has returned to Germany with a vengeance, pitching the country into a fierce often physically violent debate over its political future. And out of this debate three groups are carrying out an attack on democracy:

1. The New Left, whose theories of a radical change of "system" are already influenc-

ing youth groups of the Free Democrats (FDP) and the Social Democrats (SPD).

2. The anarcho-terrorist groupings, which have in part developed out of the New Left.

3. The orthodox Communists.

Whatever the esoteric persuasion, West German Marxists have laid siege to just about every major institution in the country. Businessmen, who once prided themselves on having turned their war-wrecked country into a model of economic prosperity, are now indiscriminately denounced for all manner of social ills, real or imaginary. The Social Democratic Party, the senior partner in our center-oriented coalition, has been invaded by young Marxists. Just prior to the last SPD-congress, the Jusos, the party's youth wing, passed an action plan that would have radically altered West Germany's economic system and overturned its Atlantic foreign policy. Brandt defeated the Jusos' proposals, but the radicals managed to increase their number from two to ten on the 35-seat executive committee.

The Marxists have already succeeded in throwing most West German universities into a state of perpetual turmoil. Though only 15% of West Germany's 670,000 students are politically engaged, most of the activists are Marxists. Under the command of the Communist Student organization they have gained control of the national student-government organizations, and dominate almost all of the student councils in the country's 67 universities and technical institutes. At 28 universities, the left-wing students have managed to gain a direct influence on university policy, and now even some full professors fear for their jobs. At nearly all universities, the Marxists have a voice in setting up the curriculums.

Like their counterparts throughout Western Europe, West German Marxist students are supremely intolerant. At West Berlin's Free University—founded in the late 1940s in protest against Communist domination of the old Berlin University in the Soviet sector—Marxist students cruise the campus offering student "guidance" on which professors are "progressive" and hence worth listening to, and which are reactionary and to be ignored. Typical commentary on one professor and his liberal arts course: "Valid in terms of Marxist Leninism, but we urge you to boycott his lectures because the student tutor is a sergeant in the reserve of the aggressor Israeli army." Says a West Berlin professor: "If you are not a Marxist professor, you don't get the students. The organizations see to that." There are no such conflicts at West Germany's newest university in Bremen, for professors and students alike are thoroughly Marxist.

IV. Against this background one can describe the strength and methods of the three groups which are carrying out the attack on democracy as following:

1. The New Left.

The New Left's aims are: Socialism (whatever may be understood by that term) or power for its own sake. It follows that the Social Democratic Party, above all, is exposed to infiltration. The lines of approach can be detected, but the degree of success cannot yet be estimated. Ideological infiltration is evident from the arguments used by the Young Socialists as their starting point in the basic contradiction in the "capitalist order of society", which can be resolved only by a "Socialist economic and social order". They demand the organization of a "trades union opposition" and hope to achieve the conquest of "Socialist positions of power" by means of a "two-pronged strategy". The groundwork—one prong of the double strategy—is to concentrate on propaganda in the factories, in local politics, and in education. Success in these areas would put pressure on the party to include the aims of its young followers in the official party programme. This tactic is described as "system-changing reform".

The organization of German Young Democrats (DJD) presented the infiltrators with a different problem. There was no chance of persuading the FDP to include Socialist aims in its programme. Instead the DJD made use of the "critical Model" developed by the New Left, to force the leaders of the FDP on to the defensive with the aim of stepping into their shoes. This is a very clear example of the way a combination of revolutionary conviction and calculated tactics can gain power and influence in an organization.

2. The anarcho-terrorist groupings.

There is no tradition of political Anarchism in Germany. It could never have established itself in the thinking of the New Left. The overriding trend in the movement is for the reorganization of society on the model of their own ideologies. Anarchist political conditions cannot last very long in Germany: a society in which the people are deeply afraid of falling victims to anarchy themselves very soon turns to those political forces which promise liberation from chaos and a return to order. Anarchists outbreaks, terrorist attacks and violent demonstrations will occur in the future, as they have in the past. World-wide means of communication ensure that they will not go unnoticed. Political fanatics must draw attention to their causes, and do not measure their actions by their material successes, but according to their success in providing optical propaganda. The attacks will cause emotional outbursts, but they will not result in any lasting political changes. They must be thought of as one thinks of traffic accidents, as something with which a technically organized world must live.

3. The orthodox Communists.

In the long run neither the New Left nor the Anarchists will be a real danger for our democracy. It is true that the Young Socialists are suffering an increasing influence of Marxism. But it is to be hoped that the force of integration of the old Social Democratic Party is still stronger than the revolutionary impact of its young members. The New Left has not reaped the benefit of its initiative. Other forces have used it to penetrate the institutions, and that is the orthodox Communists.

The DKP is almost completely dependent on the SED, for both material and ideological support. It has also taken over from the SED the conceptual analysis of "State monopoly capitalism" in the Federal Republic. It follows not only the long-term policies of the SED, but also the day-to-day tactics, and is now simply the SED's mouthpiece in West Germany. It does not hide its political aim, which is to establish a Marxist-Leninist regime in West Germany, in the form which the "Socialist" countries have already adopted. This political platform has no chance of success in the short term. It is nevertheless precise, and presents a radical alternative to the free democratic order. It quotes East Germany frequently as a model to be followed.

In improving the starting-point to achieve this objective the DKP has managed to infiltrate the universities and to build up strongholds within certain institutions of our democracy, particularly within the field of education. A growing number of our students, professors and teachers are becoming members of the DKP.

The New Left created "The Long March through the Institutions", but the orthodox Communists are using it. They are favored in this attempt by the fact, that a lot of young Marxists are bored by the fruitless discussions about the aims and methods of revolution or by anarchist actions for actions only. They are feeling a certain nostalgia for order and discipline, and the only organization with long-range revolutionary aims to offer this is the DKP.

V. What are the prospects?

The small groupings of Anarchists are not constituting a real threat to our security. They are under close supervision and even in a period of tension it is unlikely that they will be capable to evaluate actions of sabotage against the armed forces. The prospects of success of the exteme-left and communist organizations to infiltrate the armed forces with the aim to destroy them from within are also very small. The main battlefield of subversion is still the area of politics. And here the first concern is whether the far left and the established Communist parties could ever work together to gain power. In Western Europe's present political climate, that seems unlikely. As the far leftists join the established parties, they are either integrated or they change its character and frighten away the moderate voters, whom the big parties seek to enroll.

But even if they fall short of gaining government power in Western Europe, the Marxists pose a number of distinct threats to the development of free and prospering societies. Despite their protestations of independence, the Communist parties all echo official Soviet opposition to the common Market and NATO, bulwarks of Western Europe's security. West German leftists continually agitate for the withdrawal of all U.S. troops from the Federal Republic, but they ignore the presence of 20 combat-ready Soviet divisions in East Germany.

The overriding question is how Western European governments in particular and society in general will react to the Marxist challenge.

Regarding the Federal Republic one can be sure that West Germany is not at present seriously endangered by political extremism. Its political institutions are viable. Its stability depends to a large degree on the personalities who represent those institutions.

The potential which organized extremism possesses is limited and therefore can be kept under observation. Controversy with extremists must remain public and free, and must above all be kept in the political plane.

The controversy will be successful only if it is conducted self-confidently and with restraint. The superiority of the democratic system must show itself by its representatives' refusal to parley with extremist ideas.

A basically new situation would be created, however, if the ideological extremists are allowed to continue their march through the institutions. This would lead to decay from within; the institutions would become sick and in the end would cease to function. Free democracy subject to the rule of law would no longer be viable.

Such a situation cannot be created overnight, because its prerequisites include a long period of preparation. The leaders of German democracy must see very clearly that it is this preparation which those forces wish to initiate, who urge political indoctrination into the general political debate, and who combine this with the infiltration into the institutions. They can succeed only if democrats play their game and thereby prove that they are neither willing nor able to defend the institutions of democracy with confidence.

SELECT COMMITTEE ON PRIVACY

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, one of the most serious problems facing America today is the unrelenting assault on one of our most precious freedoms—the right to privacy.

The horror stories can fill volumes: Children fed drugs to modify their behavior; psychosurgery permanently mutilating the brains of old people, women and children; women being forced to sign an oath that they will not become pregnant as a condition to qualify for a loan; black women made to undergo involuntary operations to make them sterile.

The right to privacy demands priority consideration by the Congress. For this reason, I am introducing a resolution today to create a Select Committee on Privacy within the House of Representatives.

To help underline the importance of the problem and the urgent need for such a select committee, I am putting into the RECORD for the information of the Congress my resolution and a copy of a speech I made on the issue September 14 before the Northeast Conference of American Women in Radio and Television. The article follows:

SPEECH BY CONGRESSWOMAN MARGARET M. HECKLER

I am delighted at the opportunity to speak before such a distinguished group of newspersons—the Northeast Conference of American Women in Radio and Television. I can think of no more meaningful group to address on one of the most serious problems facing our nation today.

I'm talking about the problem of narcotics agents bursting into homes at night, smashing property and terrorizing innocent families. About children being fed drugs to modify their behavior. About women being forced to sign agreements that they will not become pregnant as a condition to qualify for a loan. About black women in the South forced to undergo involuntary operations to make them sterile.

I am talking about the right to privacy, and what has happened to this cherished possession in America today and what, perhaps, can be done to turn from the dangerous direction we have taken.

In my opinion, the problems associated with the concept of privacy are going to continue to increase, particularly as we try to assess ways to make Watergate into a impetus for change rather than an orgy of recriminations.

I do not intend to wallow in Watergate tonight, or remind you of the break-in of Daniel Ellsburg's psychiatrist's office, for the assault on privacy that makes up Watergate is familiar to everyone here.

But another casualty of Watergate is that at a time when intelligent and experienced people should be offering solid legislation on the issue of privacy, our attention is diverted to the more sensational aspects of the affair. So it strikes me as an obligation of us all, the Congress and the public, to become aware of the sweeping range of our problems, to try to understand what has happened and why.

But before defining the problem further, let's define our terms. What is privacy and why is it so important to civilized life and the survival of our freedoms? Hundreds of scholarly articles have been written on the concept of privacy, but I believe New England poet Robert Frost said it better than anyone else—in five simple words. Frost said: "Good fences make good neighbors."

I take this to mean that when there are rules which determine what each person and each family can keep to itself, can keep free from unauthorized prying and insensitive snooping, then society works. But when people or government break those rules, knock down parts of the fence which is largely embodied in the American experience by the Bill of Rights, then neighbors and citizens become suspicious, afraid, hostile—they do not respect a government which does not respect them.

While privacy is not mentioned by name in the Bill of Rights, the beautiful words of the Fourth Amendment seem to me to erect a very good fence against the many intrusions which seem to be on the front page of our newspapers every day—intrusions which unless they are forbidden, condemned and controlled will put the American system of political freedom back on the obituary page.

Let me quote the Fourth Amendment: "The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized."

There are the limits. What a lovely fence the Fourth Amendment makes, both to keep personal rights IN and to keep Big Brother OUT.

But as women, we are constantly reminded of the wholesale violations of our rights to privacy. What more vicious invasion of that right is there than to require women to sign an oath that they will not become pregnant? That is just one of a host of discriminations against women, and I am sure most of you are aware of my efforts in the Congress to guarantee equal credit rights for women.

The horror stories can fill volumes. The collected works of Charles Dickens could not contain them all. And every time an invasion of privacy appears in the press, there is an immediate call that something be done in the Congress.

Why doesn't the Congress act? Mainly, I believe, because there is no single body within the Congress charged with this responsibility, no body tirelessly reasserting the human values which are apt to be swept aside in the interest of short-range efficiency and economy.

References to privacy cut across jurisdictional lines of Congressional committees and since the concerns of privacy are often seen by program managers and others in the Federal Establishment as interfering with immediate solutions, privacy is afforded a very low priority.

For this reason, to give privacy the priority attention it so desperately deserves, I intend to propose the creation of a Select Committee on Privacy within the House of Representatives. Ironically, there once was a House Privacy Subcommittee which was abolished in 1971. In reviewing its history, I am struck by how effective this small group had been. Although it received only $75,000 from its parent Committee on Government Operations during the seven years of its existence, it initiated Congressional consideration of the credit industry; disclosed that some 300,000 grammar school children were being given behavior-modification drugs; publicized the first information on the return of psychosurgery—a surgical procedure which permanently mutilates healthy brain tissue in people who are alleged to deviate from the norm—and, perhaps most important in today's context, gave the citizen a place to go when he felt his privacy had been invaded.

A proposal for a Select Committee on Privacy was brought to the floor of the House on February 8, 1972, where it was defeated by a vote of 216 to 168. Its defeat stemmed from the opposition of the widely respected dean of the House, Congressman Emanuel Cellar of New York who felt the select committee would invade the jurisdiction of his own House Judiciary Committee.

Two events have occurred since then, however, which lead me to believe a Select Committee on Privacy could now win in the House. First, Mr. Cellar was defeated in the 1972 Primaries and, second, the events which have taken place since the bill was defeated have opened a virtual floodgate of concern about privacy.

Most of the 164 members who voted in favor of a select committee are still in the Congress, and despite the traditional unwillingness of senior House members to support select committees generally, I feel the time is right for a successful effort.

I am convinced that a focus on the issue of privacy, such as a select committee would give, would be an immense benefit in helping restore citizen confidence in our government.

For as troubling as individual violations may be, it is the sum of them which has a far greater impact. And this impact cannot help but destroy respect for government.

The House of Representatives, that branch of government traditionally closest to the people, must have a formal body to consider the dangerous developments in the area of privacy, developments which alarm our people and threaten our society.

How great is that danger today? In 1971, 300,000 children were being given behavior modification drugs. Now, I am informed that the best estimate is that 600,000 children are being given amphetamines and other stimulants such as Ritalin, allegedly to make them more "teachable" in the schools.

Psychosurgery continues unabated. Old people, women, children are having their brains permanently mutilated. Yet only one day of Congressional hearings—and that focus was only partly on psychosurgery—has been held in a year and a half since the spread of this procedure was exposed.

The lives of over 150 million Americans are now in data banks, and often this information is incomplete, misleading or in error. This misinformation is repeated and magnified as data banks talk to each other. There are about 800 personal data systems controlled by over 50 Federal agencies, all too many of which not only lack express legislative authority but do not even afford the most basic safeguards to our basic rights of privacy.

The problem is beginning to be understood thanks in no small measure by the actions of our Governor and State Legislature in pushing through a law to prevent the misuse of criminal records against Massachusetts citizens, and in particular the misuse of such things as stale information, mistaken arrests and isolated youthful indiscretions.

Under Massachusetts law, I am proud to note, citizens are allowed to see their records and to petition to have distortions or inaccuracies erased. I pray that the same rights may eventually be extended to the citizens of the other 49 states.

Data banks must be made to serve people, not the reverse. And one of the first chores undertaken by a new Select Committee on Privacy should be the establishment of guidelines on the use of these immensely valuable systems in a manner that does not trample on individual rights.

So much is at stake: there is no greater cause than the preservation of the individual's right to privacy.

The whole issue was brought into clear focus in a moving statement by Pastor Neimuller, a German Lutheran who spent years in Hitler's concentration camps. As he recalled his early lack of action in the face of the gathering horrors of Nazi Germany, he made a powerful argument for all of us to vigorously resist every effort to erode our precious right to privacy.

Pastor Neimuller said: "When they came for the Jews, I did not protest because I was not a Jew. When they came for the union leaders, I did not protest because I did not belong to a union. When the came for the Catholics, I did not protest because I was

not a Catholic. But when they came for me, there was no one left to protest to!"

Maybe each of us, personally, feels that our individual right to privacy has not been violated. But with each assault on a precious freedom, whether directed against us or against another, we must stand together in a roar of protest.

For if we don't, we may find like Pastor Neimuller, when they come for US, there will be no one left to heed our protests. . . .

H. RES. 555

Whereas the development of technology is advancing at an unparalleled rate of speed and is rapidly coming to affect every level of American life; and

Whereas the full significance and the effects of technology on society and on Government are largely unknown; and

Whereas, behavior modification has become the subject of increasing citizen concern and the Congress has yet to understand or set guidelines to control these applications; and

Whereas computers, other technological innovations and surveillance aid in the gathering and centralization of massive information on all kinds of individuals in data banks and, consequently, call into question the effect of technology on the right of privacy; and

Whereas Congress needs a committee ready and able to evaluate the effects of technology on the operations of Government, on the democratic institutions and processes basic to the United States, and on the basic human rights of our citizens: Now, therefore, be it

Resolved, That there is hereby created a select committee to be known as the Select Committee on Privacy to be composed of nine Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the development and proliferation of technology in American society, plus the use of technology, drugs, surgery and other scientific and medical advances which would claim to alter the basic personality of the individual. The committee shall also study the use of computers and other technical instruments in gathering and centralizing information on individuals in data banks and the effect of such activity on human rights.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places and within the United States, including any Commonwealth or possession thereof, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

BIG SKY COUNTRY'S CLEAN ENVIRONMENT: NOT TO BE SACRIFICED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, President Nixon's recent energy message, suggesting that we relax sulfur emission controls and expand research for coal mining "not too destructive to the environment" has caused concern in Montana where energy companies are building huge coal-fired generating stations or plan gasification plants based on our large strippable coal resources.

That concern is very ably expressed by Steve Jessen, editor of the Forsyth (Mont.) Independent, in the leading editorial in the September 13 issue of his paper.

We are extremely concerned in the area which faces extensive exploitation of coal resources with the preservation of our "Big Sky" environment, and that includes our pure air, our productive lands, and safeguarding our water supplies.

President Nixon's energy message must not be used by industry as justification to sacrifice the clean environment qualities of Montana and the West.

I offer Steve Jessen's editorial as a protest against that premise, and as the view of a moderate person not opposed to development, but insistent that environmental standards be maintained:

[From the Forsyth (Mont.) Independent, Sept. 13, 1973]

ON LOSING CONTROL

Last weekend President Nixon laid it on the line with respect to what his administration intends to do about the energy crisis now being faced by the nation. What he said in his energy message will have an impact on this area, not because we are short on energy, but because we will be expected to play one of the roles in furnishing energy in the form of coal to our energy-poor fellow citizens.

In his message the President asked Congress to speed up action in bills which would authorize strip mining of the coal resources of the western states. It is estimated that one third of the world's coal lies under United States territory, most of it in the west.

Nixon also said that among the steps to be taken administratively without the action of Congress would be to relax sulphur emission standards on industrial plants and to expand research on extracting coal in a fashion that would be "not too destructive to the environment."

On first hearing and reading of the substance of Nixon's proposals, my reaction was that this brings the prophesy of the North Central Power Study a little closer to reality. This realization also brought a sense of despair which comes with the loss of what little control local residents had over what will happen to our area since it appears conceivable under the presidential statement that part of this county is a likely candidate for the sacrificial altar of energy.

I cannot agree with the eco-freaks who have visited this area to investigate the sins of the coal miners and power companies and have left to continue their campaign to halt progress. However, I have listened to the true ecologists who recognize that there is in the means of today's technology the possibility of converting coal into electricity in a relatively clean way. I have looked on the latter type of person as a balance to the nation's energy companies whose aim it is to first turn a profit and then worry about the environment.

Rosebud County would be in terrible shape today if it were not for the ecologists and their restraints on the energy companies, for without their protestations and the resulting public pressure there would not be any reclamation programs at our mines, or pollution control devices planned for our power plants.

So while not advocating unrestrained development, the president's statement weakened the bond which controls the extent of energy development and which is held by the people who must live next to the power plants and mines.

I would hope that Montana Power Company and those affiliated with them in the construction of the two plants at Colstrip and the plants currently being contemplated, will not use the President's message as a carte blanche to fall back on the planned anti-pollution controls on their plants. Rather I would hope that all devices planned for plants one and two will be installed and that even more sophisticated devices will be contemplated for plants three and four.

I would hope that in opting to encourage mining in the West, the administration will not relax its requirements on reclamation and other studies on areas proposed for mining. I hope that the mining companies will continue their programs to reclaim the land with an eye for what will come after they are gone.

It is difficult to judge from the President's words just how much control we have lost over the powers eyeing this part of Montana. I still believe that those currently at work in the Colstrip area are doing so in a responsible manner. How they react to the weakened governmental controls will increase or decrease the respect I have for these companies. To the degree that these companies continue to heed responsible criticism, we will know whether the government's loosened reins is a good thing or not.—S. Jessen.

DEFENSE DEPARTMENT LIMOUSINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, I was astounded to learn recently that the Defense Department spends about $676,000 a year to provide 43 officials with chauffeured transportation to and from work. I am introducing legislation today to correct this misuse of Federal funds.

While I am pleased that the number of DOD officials accorded this privilege has fell from 63 to 43 since I began to correspond with the Department on this matter, there is still considerable room for improvement.

Both former Defense Secretary Richardson and Secretary Schlesinger have commented on the need to have some belt-tightening in Defense expenditures. Schlesinger remarked on July 3, the day after he was sworn in, that "There are luxuries that we shall have to do without." I would certainly include chauffeured sedans among those luxuries, and one where a cost savings would be entirely consistent with the President's barebones budget and the "concerted effort to control Federal spending" referred to in his budget message.

A reduction in the number of persons allowed full-time use of a chauffeured car as commuter transportation would also be consistent with a strict interpretation of the appropriate Federal statute governing this use of Government-owned cars: 31 U.S.C. 638a(c)(2). According to

a legal study of this matter prepared at my request by an attorney at the Congressional Research Service, the departmental secretary and the three service secretaries are the only DOD officials logically entitled to the regular use of a Government car and driver to get to and from work.

The other 39 officials have been given this privilege on the basis of the Department's own interpretation of the statutes, an interpretation that is open to question.

To insure compliance with the statutes, as strictly interpreted, I am introducing a bill today to limit DOD use of chauffeured Government cars as commuter transport to the four officials mentioned above. I hope that this measure will receive the prompt attention of the House Armed Services Committee.

Some related background information follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., April 26, 1973.

Memorandum for: Secretaries of the Military Departments, Chairman, Joint Chiefs of Staff; Director, Defense Research and Engineering; Assistant Secretaries of Defense; General Counsel; Assistants to the Secretary of Defense, and Directors of Defense Agencies.

Subject: Use of Government Transportation Between Residence and Place of Employment.

Section 638a. of Title 31, United States Code, requires that Government-owned passenger motor vehicles and aircraft be used exclusively for official purposes. It further provides that official purposes shall not include transportation of officers and employees between their domiciles and places of employment except in cases of medical officers on outpatient medical service and except in cases of officers and employees engaged in field work the character of whose duties make such transportation necessary and only as to such latter cases when approved by the head of the department concerned. This same statute exempts from this limitation any motor vehicles or aircraft for official use of the President, the heads of executive departments enumerated in 5 U.S.C. 101, ambassadors, ministers, charge d'affaires and other principal diplomatic and consular officials.

A list of those officials employed with the OSD, JCS, and Defense Agency and Departmental Headquarters within the Washington, D.C. area who meet the above statutory criteria and thus are authorized transportation between residence and place of employment is attached. Any other individual so employed may not be authorized such transportation without the approval of this office.

Government vehicles and aircraft may not be used for personal errands. Further, such vehicles are not available for family use unrelated to the official duties of the individual to whom the vehicle is assigned.

A person in an "acting" capacity in an office subject to Presidential appointment who is not himself a presidential appointee may not be authorized home-to-work transportation.

Appropriate disciplinary action will be taken in any case of improper use of government vehicles or aircraft.

DOD Directive 4500.36, subject "Administrative Use Motor Vehicles" will be modified to reflect the contents of this memorandum and to update authorizations for use of vehicles outside the seat of government.

OFFICIALS EMPLOYED WITH THE OSD, JCS, AND DEFENSE AGENCY AND DEPARTMENTAL HEADQUARTERS IN THE WASHINGTON, D.C., AREA AUTHORIZED TRANSPORTATION BETWEEN RESIDENCE AND PLACE OF EMPLOYMENT

1. The Secretary of Defense.
2. The Deputy Secretary of Defense.
3. The Secretary of the Army.
4. The Secretary of the Navy.
5. The Secretary of the Air Force.
6. Chairman, Joint Chiefs of Staff.
7. Chief of Staff of the Army.
8. Chief of Naval Operations.
9. Chief of Staff of the Air Force.
10. Commandant of the Marine Corps.
11. Director of Defense Research & Engineering.
12. Assistant Secretary of Defense (C).
13. Assistant Secretary of Defense (H&E).
14. Assistant Secretary of Defense (I&L).
15. Assistant Secretary of Defense (I).
16. Assistant Secretary of Defense (ISA).
17. Assistant Secretary of Defense (M&RA).
18. Assistant Secretary of Defense (PA).
19. Assistant Secretary of Defense (LA).
20. Assistant Secretary of Defense (T).
21. General Counsel of the Department of Defense.
22. Under Secretary of the Army.
23. Under Secretary of the Navy.
24. Under Secretary of the Air Force.
25. Vice Chief of Staff of the Army.
26. Vice Chief of Naval Operations.
27. Vice Chief of Staff of the Air Force.
28. Assistant Commandant of the Marine Corps.
29. Assistant Secretary of the Army (FM).
30. Assistant Secretary of the Army (I&L).
31. Assistant Secretary of the Army (M&RA).
32. Assistant Secretary of the Army (R&D).
33. Assistant Secretary of the Navy (M&RA).
34. Assistant Secretary of the Navy (I&L).
35. Assistant Secretary of the Navy (FM).
36. Assistant Secretary of the Navy (R&D).
37. Assistant Secretary of the Air Force (I&L).
38. Assistant Secretary of the Air Force (R&D).
39. Assistant Secretary of the Air Force (M&RA).
40. Assistant Secretary of the Air Force (FM).
41. Chief of Naval Materiel.
42. Director, Joint Staff.
43. The Special Assistant to the Secretary and Deputy Secretary of Defense.

OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE,
Washington, D.C., June 4, 1973.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, D.C.

DEAR MR. HAMILTON: This is in further response to your letter of May 17, 1973, to Secretary Richardson requesting additional information concerning transportation provided certain officials in the Department of Defense.

Data concerning our vehicle operations are not maintained in such a way that we can identify the cost of providing transportation between residence and place of employment for the forty-three departmental officials referred to in your letter without considerable effort. However, we estimate that it costs approximately $676,000 a year to procure, operate, and maintain, the ten limousines, thirty-one medium sedans, and two light sedans provided for the full-time use of these officials, as follows:

Category	Limousine	Medium sedan	Light sedan
rcurement	$1,000	$953	$44070
Poeration and maintenance	778	414	330
Opauffeur salaries (including Chovertime)	16,200	13,700	13,700
Total	17,978	15,067	14,4

All of the forty-three officials are assigned chauffeurs.

We appreciate your interest in this matter and trust the foregoing will be useful to you.

Sincerely,

PAUL H. RILEY,
Deputy Assistant Secretary of Defense, Supply, Maintenance, and Services.

THE HONORABLE JAMES FARLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, while reading through a recent edition of the Scranton Tribune, I came upon a most interesting feature article by my old friend Tom Phillips, city editor emeritus. In his "Top o' The Mornin'" column, Tom has written an inspiring, thorough article on my distinguished friend of many years, the Honorable James Farley of New York.

In this day and age when the very rudiments of politics are being reevaluated, Mr. Phillips' review of Jim Farley's attitudes on government and party politics are well worth our consideration.

I present herewith for the RECORD, Mr. Speaker, Mr. Phillips' story on a truly great American:

TOP O' THE MORNIN'

(By Tom Phillips)

The signature was in traditional green ink and the script was strong and steady. It was the same signature that James A. Farley has been using all his mature life and hasn't changed an iota even though he's past his 85th milestone.

It's always interesting when Jim Farley sends a memo to his friends throughout the country. He maintained probably the most prolific personal correspondence of anybody in America today. It developed over a span of almost 60 years and continues to grow.

Jim's letter was, among other things, to recall frequent sessions in his suite in the Waldorf-Astoria Towers or over a breakfast table in the Waldorf coffee shop. And hopefully looking for more of the same in the future.

The former Postmaster General makes it a point on the second Saturday of December when Pennsylvanians hold their Pennsylvania Society of New York dinner in the Waldorf to mix by the hour with his longtime friends from Pennsylvania. He knows them by the hundreds and on first-name basis.

Always in the forefront of his memory is Joseph J. "Jo Jo" Lawler of Jessup who served as an assistant postmaster general and Jim Law, of Wilkes-Barre, for years Democratic County chairman in Luzerne.

Last December, while breakfasting with Lawler, Law, Frank Loch, vice president of Pennsylvania Gas & Water Co., and the writer, the conversation turned to Watergate and Farley commented:

"I hope nothing develops to the point where any consideration is given to impeach-

ment. And if it does, I hope it won't happen. It would divide the country in a way that, in my judgment, it has never been divided before."

Big Jim, he's six-feet, three inches tall, is a Democrat. He has no reason to be generous to a Republican. However, he has always been more than a partisan politician. His opposition to breaking three two-term precedent set by George Washington demonstrated that in his resignation as Franklin Roosevelt's two-term Postmaster General when FDR wanted to run, which he did and was elected, for a third term.

When he hit his 85th milestone on Memorial Day Farley said in the interview "I intend to take my birthday in stride." He did indeed. He was at the New York office, as he is almost daily, of Coca Cola Export Corp. He is honorary chairman of the board.

More than half of the nation's population was not on the scene when the name of James Aloysius Farley was a preeminent one in American politics.

He was among the earliest and most adamant supporters of FDR and floor manager for him at the Chicago convention when Roosevelt was nominated for the first time. He played a key part in swinging the Texas and California delegations, pledged to John Nance Garner, to put FDR over the two-thirds required for nomination.

Farley has had many thrills, he admits. Among them, he recalls, is when he predicted FDR would not only win the election but would carry every state of the union with the exception of Maine and Vermont. That was the precise result of the 1936 campaign. Farley made his forecast while in the role of Democratic National Chairman. Future generations may never see that prediction equalled or surpassed.

Farley says he never had regrets over breaking with Roosevelt on the third-term issue. He says, however, that his personal relationship with Roosevelt was always "delightful." He said he saw FDR only briefly—on four or five occasions—after his retirement from politics in 1940.

Asked at one time what persons most impressed him during his political career, Farley said:

"Franklin D. Roosevelt, Vice President John Garner of Texas, Harry S Truman, Lyndon B. Johnson, Secretary of State Cordell Hull, Al Smith and Jimmy Walker, one-time mayor of New York City. Of course, they were all Democrats.

Outside the realm of politics, the most impressive person, he revealed was Pope Pius XII, who he first met in 1933, when the future Pontiff was Secretary of State for the Vatican.

Subsequently he had many private audiences with Pope Pius at the Vatican. Some of the audiences were arranged by Archbishop Martin J. O'Connor, a Scranton native attached to his Vatican offices, and of whom Farley speaks with great affection.

Recently in discussing current politics, Farley observed the two-party system will prevail in the United States despite the party switches of such individuals as Mayor John V. Lindsay of New York and John Connally of Texas.

"I can't see Republican leaders in the north going for Connally as a presidential candidate," said Farley.

"Neither can I see any political future for Lindsay after the poor administration he has given the city of New York in the last eight years."

Farley's career symbolizes the American belief in the ability of a man to rise from adversity. He was born in Grassy Point, N.Y., in 1888. He recalls after his father died his mother bought a small grocery store and saloon in his home town and as a boy he tended bar before and after school. His mother asked him not to smoke or drink and he never did. He said he is grateful that he kept his promises to his mother. As a youth he played first base on the semi-professional teams at Grassy Point and nearby Haverstraw. His formal education ended after two and one-half years in high school when he was 17.

"I never went to college," he remarked, but I have received 25 honorary degrees throughout the United States.

Nostalgically, Farley recalls his impressions when he came from Grassy Point to New York City.

"I liked the theater and I vividly recall seeing the show business notables of those days at Hammerstein's and the Ziegfeld Follies, such as Fanny Brice, Harry Lauder, John McCormack and Caruso.

"The first show I took my wife, Bess, to see was a musical called "The Chorus Lady" at the old Academy of Music. His wife died in 1955.

After entering politics, Farley was elected to the New York General Assembly in 1925. Gov. Al Smith appointed him a member of the New York State Athletic Commission, a post he held many years.

His advice today to young men and young women entering politics is his life story:

"Never take a dime and never tell a lie."

MINIMUM WAGE INCREASE NEED NOT BE A CAUSE, BUT A RESULT, OF INFLATION

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, millions of American workers enjoy some protection from the disastrous inflation we suffer in this country through cost-of-living clauses in their labor contracts. Perhaps the word "enjoy" is inappropriate. A more accurate statement would be that these workers suffer somewhat less.

We have recognized in the Congress that cost-of-living increases are necessary and we have provided the machinery for applying them to social security benefits, Federal retirement programs, and so on.

But for America's least fortunate and most deserving workers, those on minimum wage, the White House has said through this veto, there will be no immediate relief. This despite the fact that there is no cost-of-living escalator for the minimum wage which has not increased in over 5½ years.

Since the last increase, in February of 1968, food prices have skyrocketed almost 40 percent while the overall cost of living has increased almost 31 percent over that time.

The President went to some length to outline the objections to this bill in his veto message. These objections have been rather roundly criticized on a broad front with one commentator terming the veto "a mean, contemptible act which further oppresses and disheartens the Nation's poor." While I do not for a moment believe the President's intent was to be either "mean" or "contemptible" I do feel the veto is oppressive and disheartening.

In short, I believe the Congress is right on this matter and the President is undeniably and irrefutably wrong.

The arguments in support of the Congress were skillfully outlined and presented on September 8 in an editorial in the Nashville Banner entitled "Congress Is Right on Minimum Wage."

Mr. Speaker, I include the editorial in the RECORD at this point and commend it to the attention of my colleagues:

CONGRESS IS RIGHT ON MINIMUM WAGE

The minimum wage bill passed by Congress would fix it so most working people in the United States would have to make at least $2 an hour.

In this day and time, $80 a week is hardly a windfall.

Nevertheless, President Nixon has vetoed the minimum wage bill as too inflationary. We think the President made a mistake.

In our opinion, the President has not given enough weight to the other side of the coin. In considering inflation, the President failed to take fully into account the shrinking effect inflation has had on workers' take-home pay.

The minimum wage bill passed by Congress is needed because of inflation, not in spite of it.

Sen. Harrison A. Williams Jr., D–N.J., chairman of the Senate Labor and Public Welfare Committee, put it this way: "I do not believe that a successful anti-inflation program depends upon keeping the income of American workers below officially estimated poverty levels."

As passed by Congress, the bill would increase the minimum wage from $1.60 to $2 an hour Nov. 1 and then to $2.20 July 1, 1974.

President Nixon also favors an increase in the minimum wage but on a more gradual basis. His plan calls for an hourly wage hike to $1.90 immediately and $2.30 over the next three years.

So what is at issue here is not the concept of minimum wage, which both the President and the Congress favor, but the procedure for implementing the new minimum wage. We think the congressional plan, because it offers more help sooner, is better for the working person.

The congressional version would also extend minimum wage coverage to about 6.7 million additional workers, mainly state, local and federal employes and domestic workers such as maids.

One of the reasons that able-bodied persons are drawing welfare checks rather than working is that they can make more off governments handouts than they can by toiling for a minimum wage.

The government should not sanction that by holding down the minimum wage and further penalizing those who are willing to work.

An attempt will be made later this month in Congress to override the presidential veto. The effort is fully justified and is badly needed by the working people of this nation.

INTERIOR IGNORING CONGRESSIONAL MANDATE ON SUWANNEE RIVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

Mr. FUQUA. Mr. Speaker, I want to take a few moments today to bring a matter of much personal concern to the attention of my colleagues. This issue concerns, among other things, a clear

violation of congressional intent and smacks of bureaucratic arrogance.

Before coming to the House floor today, I wrote to Secretary of the Interior, Rogers Morton and requested that the Congress be provided a study report on the feasibility of including the Suwannee River in the national scenic rivers system. This report, incidentally, will be 3 years overdue on October 2 of this year and is the substance of my concern.

In 1965 a large number of bills were introduced that would have included several rivers in a national wild and scenic rivers system. One of these measures would have included the Suwannee in an active category along with other rivers that, as opposed to the Suwannee, traversed through Federal lands. There was considerable public outcry about the proposal because local and State governments, property owners and other interested parties were concerned about the impact of such a designation on the Suwannee. Every possible effort was made to obtain for myself and for my people the ramifications of this measure. These efforts were unproductive as I was unable to get any written information, and on several occasions, officials of the Department of the Interior gave conflicting responses to specific questions posed to them. I then requested that a large public meeting be conducted so that my constituents could better understand the ramifications of the legislation. The hearing generated many more questions than there were answers. Thus, we sponsored a series of hearings throughout my congressional district at which the National Park Service attempted to answer local concerns. After these hearings were held in the counties through which the Suwannee flows, it became evident that there were many perplexing questions about the proposed administration of lands along the banks of the Suwannee—questions that the National Park Service was unable to answer.

The House of Representatives considered national wild and scenic rivers legislation during the 90th Congress, 1967–68, and I submitted testimony on the measure before the House Interior and Insular Affairs Committee in March of 1968. This was the first opportunity that I had to testify in the House on the wild and scenic rivers legislation. I would like to excerpt one portion of my testimony to illustrate the volatile nature of the controversy which was brewing between those in favor of the proposal and those opposed:

> Many who have never read the bill demand that we blindly support the measure, while others opposed, demand that we see that it is removed from consideration. I think that the gentlemen on the committee know as well as I that I do not have the power to accomplish the latter. What I do hope to accomplish is to commend the idea of preserving certain of our nation's streams in their natural state. This concept has my support.

I provide this background for my colleagues so that you can appreciate the very sensitive nature of this matter and to underscore the impact of later actions, or rather nonactions, of the Department of the Interior and the Office of Management and Budget.

As many Members of this body will remember, Public Law 90–542 authorized a national wild and scenic rivers system to be administered by the Department of the Interior. This act gave 6 rivers or sections of rivers immediate recognition as components of the feasibility of including 28 other rivers, including the Suwannee, in this same system. On September 12, 1968, this body favorably considered the legislation and it was subsequently signed into law on October 2, 1968.

When the measure was before the House, I offered an amendment to require the Secretary of the Interior to complete the study and report on the Suwannee River within 2 years after enactment rather than the 5-year period which was authorized for other rivers under the bill. I felt that the preservation of the Suwannee River and the interests of my constituents were too important to wait 5 years for the report. The reason I felt that this study was essential initially was so that we could obtain hard data on the ecological, social and economic consequences of designating the Suwannee River as a national wild and scenic river. My amendment was adopted in the House and incorporated in the final bill. The report was, therefore, to be completed and submitted to the President and to the Congress by October 2, 1970.

I might mention that Secretary Morton was then a Member of this body and voted in favor of the bill on final passage, thus approving of my amendment which had been adopted previously.

With this background in mind, I am certain that the Members can appreciate the great concern I have about the refusal of the Department of the Interior and the Office of Management and Budget to send this report, as mandated by Federal law, to the Congress.

Shortly after the report was scheduled to be sent to the Congress, I wrote to the Department and asked why the report had not been released as required by my amendment. I reminded the Secretary that once the report had been received we would be out of the realm of rumor and innuendo and would have a factual basis from which sound administrative and legislative decisions could be made. The Department indicated retrospectively that the wisdom of conducting a feasibility study was then recognized and that their zeal to develop a model report was the reason for the delay:

> As the Suwannee will be the first wild and scenic river report to be submitted by this Department, we have given special attention to the review and coordination procedures to ensure that the views of all concerned interests have been carefully considered, and that, as a prototype, future studies may be completed, reviewed and transmitted in as expeditious a manner as possible.

Although I was not particularly happy with the continued delay, I was pleased that such plans were being taken to insure the development of a meaningful and factual report and recommendations.

After a prudent period, I again contacted the Department of the Interior and requested that the report be released. This inquiry met with a like rebuff as did several other efforts.

About a year after the report was scheduled to be sent to Congress, I began to get information from various groups that the Department of the Interior would propose that the Suwannee River be included in the national wild and scenic rivers system and that some $30 million of Federal funds be spent for land acquisition and development. Rumor had it that the initial report proposed that there be a joint administrative effort between the local, State, and Federal Governments with coordination coming from a Suwannee River Commission. Again, I was unable to determine from the Department of the Interior whether this proposal was being actively considered or whether there were other alternatives of equal likelihood.

In April of this year, I again contacted the Department and demanded that the report be released so that we could go forward. This response, received safely after the 1972 Presidential elections, indicated that whatever the original proposal might have been, the Department was directed by OMB to reconsider its position:

> At the request of this Department, the Office of Management and Budget has returned the Suwannee report in order for us to reexamine the proposal with a view to determine whether the proposed acquisition and development can be reduced while still preserving the values associated with the establishment of a wild or scenic river. Also, we are exploring with appropriate State officials the possibility of obtaining greater State participation in this program.

So here I was not knowing what proposal the Department was to reexamine, what acquisition and development was to be reduced, what values were to be preserved, and what State participation was to be increased. Greater State participation than what?

Again, the purpose in placing the Suwannee River in a study category was to avoid the rhetoric and uncertainty of making policy decisions without the benefit of hard facts.

That the report might soon be released was brought to my attention by a reporter in my congressional district who has been diligent in ascertaining the status of the report. He has been helpful to me in knowing about statements released from the Department from time to time, and I value his assistance.

Most recently, this reporter informed a member of my staff that the report will soon be returned to the regional office of the Department for final adjustments prior to release sometime later this fall. In response to this telephone call, my staff called the Department and learned that the information was accurate and that the Secretary might well recommend that virtually all Federal participation be eliminated and that the State of Florida carry the burden of any future protection for the Suwannee.

The Department of the Interior, however, informed the reporter that there are four alternatives receiving attention by the Secretary. The first alternative would be full Federal support of the project and Federal administration. The second would provide for a joint Federal/State partnership also calling for Federal expenditures. The third alter-

native would be for full State administration with virtually no Federal participation. The last alternative would be that no action would be taken.

I have news for the Department of the Interior. These are the very alternatives which faced it the day the scenic rivers legislation was enacted. If it takes the Department 5 years to frame the issues, I believe that we have more problems than we know.

It is apparent now that whatever the final recommendations of the Department of the Interior, a grave misjustice has been done the people of my great State.

If the Department of the Interior or any other Federal agency can arbitrarily ignore a clear congressional mandate, as was given in this case, Congress has truly relinquished its position in the governmental separation of powers. It is my opinion that the administration has politicized what was otherwise a legitimate effort to obtain much-needed information.

I will report back to my colleagues on the content of the Secretary's response to my letter requesting the report, and I encourage you to join with me in resisting heavy-handed administration tactics such as have been employed in this case.

THE ENERGY SHORTAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, as we are all aware, our country faces a long-term energy shortage. The role of automobiles in our energy dilemma is highlighted by the fact that between 40 and 50 percent of all crude oil production is consumed by cars, trucks, and buses. To make matters worse, the energy shortage is particularly acute for the refined petroleum products used by these vehicles.

A major cause of our immediate problem in supplying the energy demand of our motor vehicles is the immense technical problem of reducing air pollution without increasing per mile energy consumption. As all of us who have recently bought cars are painfully aware, it is costing us twice, and in some cases, three times as much to get from home to work and back again as it cost just a few years ago.

For almost a decade, the American people have been asking the auto industry to produce cleaner cars. Over the past couple of years, under the pressure of the Clean Air Act, the industry has made some progress toward cleaner cars.

As the cars have become cleaner, however, they have become more and more inefficient. Emission controls on the 1973 cars, for example, exact an average fuel penalty of somewhere between 5 and 10 percent, while safety features and luxury options have extracted an additional, even larger, fuel penalty.

We have recently learned to our dismay that the auto industry will not be able to meet the cleanup schedule for its cars for 1975 and 1976. This is a schedule that the auto industry agreed to as long ago as 1969. It has asked for and received the 1-year extension provided for in the Clean Air Act. Now it is bringing immense pressure upon the Congress to amend the Clean Air Act, to relax the emission standards by 40 percent for hydrocarbons and 50 percent for nitrogen oxides.

In my judgment, the reason for the failure of the auto industry to meet its schedule and solve the related technical problems is a failure on our part to mass the technical resources of the country to aid the auto industry in this effort.

For a number of reasons the auto industry has attempted to meet the clean air standards by developing the catalytic converter as an add-on device to put in the auto engine's exhaust system. Not only will this unit raise the price of 1975 cars by $100 or more and make the car owner liable for a maintenance charge of up to $150 when the catalyst fails, but the catalytic converter will create air pollution of its own. John Moran, program manager of an EPA project to investigate emission problems resulting from emission control actions, announced only a few days ago that the use of catalytic converters resulted in the emission of sulfuric acid and particles containing metals such as platinum or palladium used in the converters.

The adoption of the catalytic converter is particularly astonishing in light of the finding by the National Academy of Sciences that the catalytic converter approach is "the most disadvantageous with respect to first cost, fuel economy, maintainability, and durability" of all of those proposed.

Looking further ahead, the auto industry is now telling us that it sees no way to meet the reduction in emissions of nitrogen oxides required by the Clean Air Act.

This depressing outlook, I must point out, results directly from the auto industry's dependence on the internal combustion engine.

All technical experts agree that it is inherent in the internal combustion engine—be it Wankel, diesel, stratified charge, or conventional—that the conditions which favor reduction in either hydrocarbons or NO_x also favor increases in the other. In addition, the cleaner the internal combustion engine becomes, the more inefficient and energy consuming it becomes.

It is significant that this law of nature does not apply to external combustion engines such as the steam engine and the gas turbine.

Unfortunately the auto industry has more or less ignored the external combustion engine. Despite general recognition that engines of this design concept can readily meet and even substantially better the 1976 statutory emission standards, General Motors Corp. told Congress only a couple months ago:

> In 1973 our only activity with respect to Rankine cycle (steam) engines is to maintain cognizance of developments outside GM.

Our country must be able to do better. In 1972, GM netted $2.2 billion in profit. In the first quarter of 1973, GM netted $800 million. Despite the record profits, GM announced they were doing no R. & D. on the most promising of the clean, efficient external combustion engines.

Private industry is not solely to blame. The Government has done little or nothing to help or encourage industry to solve the technical problems associated with meeting the clean air standards and the corresponding energy shortage.

Mr. Speaker, it is in recognition of these facts that I am introducing today a bill to assign to the National Aeronautics and Space Administration the job of developing fuel-efficient, low polluting engines for automobiles, trucks, and other light vehicles. This bill would capitalize on NASA's recognized preeminence in both high technology itself and the management of advanced technology development programs. It would take advantage of our underused national laboratories which have for 50 years helped private aircraft industry develop the best aircraft engines in the world.

The advantages of this approach are obvious. As NASA's R. D. Ginter told the Subcommittees on Space Science and Applications, and on Energy last May:

> The scientific and engineering disciplines employed (in R&D on ground propulsion units) are the same in principle as those required for providing energy and power in space. Systems engineering pervades NASA research and development. Its function is to translate mission requirements and constraints such as size, weight, lifetime, and costs . . . into detailed statements of required technical performances.

NASA is experienced in high temperature materials, high temperature lubricants, conversion of energy from one form to another. NASA has a long history of providing technological support to other agencies. And NASA already has ongoing programs in external combustion engine technology and in the nature of the combustion process itself. In fact, NASA, at EPA's request, is cooperating with EPA's Advanced Automotive Power System Office in this technological area. Just last Monday, the New York Times reported that a NASA laboratory is helping industry to develop a hydrogen additive to gasoline that may help to meet clean air standards.

I cannot emphasize too strongly, Mr. Speaker, the urgency of the Nation's need for an energy-conserving, low-polluting alternative to the internal combustion engine. You have heard, I am sure, that the air is getting cleaner as a result of actions taken over the past several years under the Clean Air Act.

Yet, Mr. Speaker, the 100 million Americans suffering for 12 days under the foul air across the whole eastern half of the United States would dispute that. Experts also dispute that, pointing out that regional monitoring systems are woefully inadequate.

A recently reported series of tests by EPA has shown that cars in the hands of the average American motorists soon begin to pollute more heavily than when new. With the newer cars, this tendency is more serious than with older ones, because there are more of them, each driven more miles on the average than older cars, and they burn more gasoline per mile for reasons of weight and luxury options.

Significant recent evidence indicates that removing hydrocarbon from the air without removing the nitrogen oxides will not help the smog problem and may even make it worse. Thus, it may be technically impossible for any internal combustion engine to reduce nitrogen oxide emissions. As a result of this technical dilemma, the auto industry and the EPA have been laying the groundwork for easing the NO_x emission standard for new cars and for questioning the primary ambient air quality standard for NO_x. This would be unnecessary if alternative propulsion systems were available.

Finally, Mr. Speaker, the auto industry's impending use of catalytic converters will have a dramatic impact on crude oil consumption. These converters require lead-free gasoline. Lead-free gasoline requires more crude oil per gallon of gasoline of a given octane rating. I estimate that this added consumption will be between 4 and 5 percent for each gallon of lead-free gasoline. Is it not ridiculous, Mr. Speaker, to move toward such greater demand for crude oil at exactly the time when oil industry sources insist that we are desperately short of crude oil.

In conclusion, Mr. Speaker, I believe that the Government must do its part to aid industry in the research and development needed to clean up our air with energy conserving, low polluting ground propulsion systems. My bill will accomplish this by enabling NASA to develop and evaluate a range of alternative systems in cooperation with private industry.

In view of the gravity of our energy and clean air crisis, I urge expeditious handling of this bill and put to use our most effective problem solving technical organization: NASA.

Mr. Speaker, I have here the New York Times article to which I earlier referred, and for the further information of our colleagues I include it to be printed in the RECORD following my remarks. In addition I include the text of my bill, cosponsored by Mr. SYMINGTON and Mr. MCCORMACK to be printed in the RECORD at this point:

NEW NASA AIM: CLEAN AIR
(By Richard Witkin)

NEW YORK.—A radical system aimed at meeting the legal limitation on auto-engine emissions is being developed by the National Aeronautics and Space Administration.

The concept involves the use of hydrogen as an additive to gasoline in modified versions of standard internal combustion engines.

It has shown "promising" results in laboratory tests but won't be tested in an auto for another two months.

The development is being carried out by the space agency's Jet Propulsion Laboratory, whose Ranger and Surveyor vehicles scouted the moon as a prelude to the manned lunar landings.

Engineers at the Pasadena Calif., facility stressed that the work was in its early stages. Numerous difficult technical details are still to be worked out, said Harry Cotrill, the project manager, in a telephone interview.

Starting today, representatives of the nation's major auto manufacturers were to visit the laboratory for a series of demonstrations of what has been accomplished so far.

Dr. William H. Pickering, the laboratory's director, said the companies had been invited "to assess the utility of this system with a view to the possibility that they might wish to work cooperatively with us."

The space agency has allocated $600,000 for the first six months of the effort. Pickering estimates that it might take a total of $4 million to $5 million to meet the emission standards for 1976 and 1977 under the Federal Clean Air Act.

A key component of the system, based largely on research conducted by an engineer named Jack Rupe, is a hydrogen generator that could be carried aboard the car.

Cotrill predicted that a fully developed research vehicle able to meet the emissions standards could be running about two years from now.

"But after that," he said, "it would have to be engineered for mass production. It wouldn't be ready yet for the little old lady from Pasadena."

The laboratory has bought two Chevrolet Impalas to be used as the research vehicles.

A prime advantage of the approach, its proponents contend, is that it would meet auto-pollution requirements without attaching catalytic devices to engine exhausts, as planned by the major car makers.

It would improve fuel consumption and it would operate with low-grade petroleum or synthetics, besides gasoline, its proponents claim.

Hydrogen has been increasingly looked upon as the most promising long-term answer to the world's power needs as fossil fuels become exhausted, but it has several obvious drawbacks.

For one thing, hydrogen can be very dangerous in a day-to-day consumer environment because of its extreme volatility. It takes up a great amount of space in gaseous form, and in more compact liquid form it must be kept at minus 423 degrees Fahrenheit. Its use would require major changes in auto design and in service station facilities.

The laboratory's concept aims to circumvent these complications in two ways: By perfecting and installing in autos a generator that would produce hydrogen as needed, and by using hydrogen not as the main fuel but as an additive.

H.R. 10392

A bill to amend the National Aeronautics and Space Act of 1958 to authorize and direct the National Aeronautics and Space Administration to conduct research and to develop ground propulsion systems which would serve to reduce the current level of energy consumption

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

SECTION 1. (a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"(d) The Congress declares that the general welfare of the United States requires that the unique competence in scientific and engineering systems of the National Aeronautics and Space Administration to also be directed toward ground propulsion systems research and development. Such development shall be conducted so as to contribute to the following objectives—

"(1) the development of energy conserving ground propulsion systems;

"(2) the development of ground propulsion systems with clean emission characteristics, economical per unit cost, and low per mile energy consumption;

"(3) the improvement of efficiency, safety, performance, and usefulness of ground propulsion systems; and

"(4) the most effective utilization of the scientific and engineering resources of the United States already in existence, with close cooperation among all interested agencies of the United States in order to avoid unnecessary duplication and waste of effort, facilities, and equipment."

(b) The subsection of section 102 of such Act redesignated as subsection (e) by subsection (a) of this section is amended by striking out "(and) (c)" and inserting in lieu thereof "(c) and (5)".

SEC. 2. Title II of the National Aeronautics and Space Act of 1958 is amended by adding at the end thereof the following new section:

"GROUND PROPULSION SYSTEM DEVELOPMENT

"SEC. 207. (a)(1) In addition to its other functions the Administration shall develop ground propulsion systems which are energy conserving have clean emission characteristics, and are capable of being produced in large numbers at a reasonable mass production per unit cost.

"(2) Such ground propulsion systems must meet or better all air quality standards set by or under the National Emission Standards Act, the Clean Air Act, and the Air Quality Act of 1967, while substantially reducing per mile energy consumption.

"(3) The Administration shall conduct research in alternative energy sources for use in the ground propulsion systems developed under paragraph (1) and shall develop such alternative energy sources for use in those systems.

"(b) In connection with the performance of its functions under subsection (a), the Administration shall evaluate and make a continuing comparative assessment of all ground propulsion systems presently in use, or in a conceptual or development stage.

"(c) There is authorized to be appropriated to carry out this section not to exceed $40,000,000 in the aggregate for the fiscal years 1974 through 1977."

SEC. 3. Section 103 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and by adding after paragraph (2) the following new paragraph:

"(3) the term 'ground propulsion system' means the engine, transmission, or drive, and associated controls, necessary to power automobiles, trucks, trains, buses, and selected light marine vehicles."

GRAZING PERMIT BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, today I am introducing legislation in behalf of the stockmen of our country. The administration of the public lands grazing permit program requires change to alleviate certain inequities.

In the 11 coterminous western public lands States, the Federal Government owns and administers over 270 million acres on which grazing is allowed. At various times during the year, domestic cattle and sheep graze on about half of these lands. The public lands are used more for this purpose than any other economic activity. As important as grazing has been to the western scene, this is one area where the Federal Government has allowed an indefensible policy to become a gross abuse.

The Taylor Grazing Act of 1934 requires a permit holder to be compensated for his range improvements when his permitted land is allocated to another person. The grazing permit is recognized

as acceptable collateral security in sale and mortgage transactions, and the Internal Revenue Service imposes an estate tax on the value of the permit when it is transferred at death. In addition, anyone remotely familiar with rangeland real estate knows that the value of the stockman's private range (or base property) with a public lands permit is substantially higher than without a permit.

In all of these examples, the grazing permit is recognized as an asset. Except for defense purposes, however, the Federal Government extends no compensation to a canceled permit holder whenever the permitted lands are diverted to other public uses. It is time this inconsistency is corrected—it is time that stockmen who own grazing permits are guaranteed fair treatment from the Federal Government.

I am introducing a bill which provides compensation to permittees when permits are canceled to satisfy other public uses. The statutory and administrative policies of the Government have contributed to the concept of the "permit value," whether or not the permit has the attributes of a property right. Loss of the permit prior to its expiration should therefore be compensated, and the compensation standard should take into consideration the value of the base property with and without the permit.

My bill would also establish a fixed statutory term for the grazing permit. This provision would provide administering agencies with some guidance for planning public land use and would replace the current practice of making decisions on a largely ad hoc basis. Permittees would have greater assurance of use during the life of the permit. Removing the uncertainty would allow stockmen to graze the public lands more efficiently. In these times of beef shortages, such an improvement in efficiency, and hence in beef production, would benefit all consumers.

Both provisions of this bill would establish more stability of tenure for permittees, but compensation for termination of the permit does not confer on permit holders propriety interest in the public lands as critics of similar legislation in the past have argued. The grazing permit is granted to persons having a priority right by virtue of ownership of the commensurate base property. When a stockman's grazing permit is canceled, the value of his base property is reduced. It is crucial to recognize that reimbursement would be based on the deflated value of the base property.

The landlord and tenant relationship between the Federal Government, stockmen, and other users is a matter of great concern to the people of the West where livestock grazing is a dominant industry. In every other case where property is taken, the Government pays the owner for the value of the property. There is no apparent reason why the same practice could not be applied to grazing permittees on Federal lands.

Mr. Speaker, I solicit my colleagues to join me in redressing the unfair treatment imposed on our country's stockmen by the Federal Government.

CUBAN JURISTS IN EXILE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on September 1 in Miami there was a great dinner commemorating 12 years of the National Federation of Cuban Jurists in Exile. The long time and distinguished president of this meaningful organization is Dr. Francisco Alabau Trelles.

The National Federation of Cuban Jurists in Exile is made up of magistrates, judges and members of the Cuban judiciary in exile in the United States. Among those attending the dinner were two former Justices of the Supreme Court of Cuba. This eminent group of jurists, so dedicated to the law and to the cause of freedom that they fled the tyrrany of Castro and communism in Cuba, have kept alive their love and respect of the law through 12 years of notable service to this great organization. It was a moving experience to hear Dr. Francisco Alabau Trelles, the president, tell in eloquent words how many judges had lost their lives through Castro's persecution. We all honor these men who have endured the dangers and hardships they have experienced in order to preserve the law for they know that the law is the shield of liberty and freedom for the people that live under the law.

On this occasion a movingly eloquent address was delivered by Dr. Manolo Reyes, formerly an eminent lawyer in Cuba who had to flee from Castro's persecution and has for many years now been a distinguished news editor and commentator for channel 4 in Miami. Dr. Reyes stirred his audience with his appeal that the former members of the judiciary and all who love law and freedom and have had to flee from Cuba would keep ever bright the flame of freedom in the United States and in their hearts a firm resolve to continue to try to destroy the rule of Castro and communism in Cuba and to restore that beautiful island to its former beauty and glory.

Mr. Speaker, I commend Dr. Manolo Reyes' able address to my colleagues and to my fellow countrymen and include it in the RECORD following my remarks.

SPEECH BY DR. MANOLO REYES

Ladies and Gentlemen: By definition, the true sense of law is that which interprets the inalienable rights of a country. That is why the law has its roots with the people.

When these roots do not come from within the people, it is not true law. A nation without law is like a ship without a captain. This has happened in my beloved country: Cuba.

In Fidel Castro's regime, the laws are made for the benefit of a handful while tyranny is imposed over many.

This is the reason why I find such a great importance in this act of denouncement, mainly directed for future generations and to those who have turned their backs on the Cuban reality.

I want to give my deepest thanks to Dr. Francisco Alabau Trelles, President of the National Federation of Cuban Jurists in Exile. This prestigious organization is made up of Magistrates, Judges and members of the Cuban judicial power in exile which Castro destroyed. This Institution has just reached its 10th year in exile and now boasts membership of distinguished Cuban jurists.

It represents a fortress in which the general principles of Cuba's judiciary powers are preserved.

Today, all forms of law and justice have dissappeared in Cuba and that is the reason why 7 million Cubans are today imprisoned in one of the largest concentration camps . . . Cuba. There is no Parliament, no Congress and no Senate in Cuba today. But worst of all, there is no judiciary power.

Just today, in the worst farce in history, Castro's communists made the announcement that they were re-opening the courts of justice. I ask myself how can the courts of justice operate in all fairness when the only requirements needed to become a "revolutionary" judge are to be over 21 years of age and a good communist? With these meager qualifications, the person ends up with a complete ignorance in matters of law.

We have witnessed on one occasion where a "revolutionary judge" signed a death sentence with just his fingerprint since he was unable to read or write. Commander Humberto Sori Marin was tried by a revolutionary court whose members were of a lower rank than himself. In addition to this insult on his status, Commander Marin died in front of a firing squad.

From the year 1959, Cuba's political prisons have been the tombs of heroes and martyrs—of courageous Cuban men who faced death by opposing the communist regime. Another example of these acts, is the one concerning Pedro Luis Boitel. After spending 12 years in prison he died weighing only 60 pounds. He did not give in one inch in his ideals and will therefore always be remembered as one of the great men in history.

Ever since January 1972 those political prisoners who do not give into the communist regime coaction when their terms in up, are again condemned to another 3 years of imprisonment. It is like a continuous life sentence until they either give in or die.

Precisely, we are denouncing these violations of human rights so that the cause for a free Cuba will not end up unheard and unnoticed. A myriad number of international organizations and people all over the Hemisphere do not tell the real truth about Cuba.

These people are cowards and I say this because those who label the sufferings of a country as "propaganda" can only be called cowards in the worst sense. This so-called propaganda is strewn with the blood of the best Cubans. Many people would like to have half as much courage, dignity and love for their country as these Cubans had when they gave everything they possessed, including their lives, to regain their country's freedom.

Everyday we see pages written in magazines and newspapers all over the Hemisphere citing examples of Cuba's wonders.

The people that write these stories were probably invited to Cuba by Castro because nobody can enter the Island without his permission or visa. We wonder if these people have seen the firing squads or any of the miseries the Cubans are going through right this minute? Let's not be fooled.

All these acts have been denounced by many institutions in exile and by personalities such as Dr. Humberto Medrano, Dr. Roberto Ruiz Lavin and through the Pedro Luis Boitel Committee. But, Castro is still in power. Several days ago I wrote: "When the Cuban people regain their freedom once more, they will say with sadness: "We called and were not heard". Let history be the witness of the pain of my people. And let history too, be the witness of the guilty silence of those who can end these sufferings and are not doing it.

Recently, the Decolonization Committee at the United Nations declared Puerto Rico

as a colony of the United States. I immediately submitted a paper to this Committee citing proof of the Russian domination in Cuba . . . and asked that Cuba be declared a Colony of the Soviet Union in the American Continent.

Silence was the answer.

Last week, two leaders of Puerto Rico's independence cause, were officially permitted to appear before this Committee. Based on the precedent established I ask for a hearing in which as a Cuban exile has the right to demonstrate before this Committee proofs of how the Soviet Union has complete hold over Cuba through Fidel Castro's treason. I am rightfully afraid that a new silence will follow, but it will not defeat us. On the contrary—it will strengthen our will power and will make us renew our efforts to keep on fighting for Cuba's liberty . . . until we die.

Liberty, like life itself . . . is made up of bundles of rights. All these rights have disappeared from Cuba under international communism.

Moral degradation, the exploitation of man by man and incompetence are many of the consequences resulting from a lack of law and the lack of liberty in Cuba. There is no habeas corpus or parental rights. Total anarchy is reflected in all corners of the Island, protecting only the minority who are in power. Cubans are subject to all the obligations and have no rights at all.

The man has been set above the law. That is why there is no nation. Our aspirations are to form a nation and a state of rights, where the law will be above men and be equal to all men . . . with equal opportunities for all, a country where the people's will and liberty are the most important rights.

Let's point out a very important detail, so there will be no doubt in anyone's mind.

We are going to achieve Cuba's liberty because the truth is on our side; because the law and the truth are our goals. But let it be known that to achieve liberty we will under no circumstances deny our principles. We will never be subject to negotiations or to co-existence, which would be degrading to those who gave their lives on behalf of Cuba's liberty.

We are direct descendants of Marti . . . but also of Ignacio Agramonte . . . and of General Maceo, who would rather die than surrender. And to negotiate . . . coexistence, is to surrender.

Surrender is for the communists.

For the Cubans: Liberty!

PROTECT STATES' TAX RIGHTS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is my privilege to call to the attention of our colleagues the testimony presented recently by one of Florida's most distinguished and dedicated public servants to the Senate Finance Committee's Subcommittee on State Taxation of Interstate Commerce.

The Honorable Ralph D. Turlington is eminently qualified to comment on this vital legislation by his long and brilliant service in our State legislature and by his position as chairman of the Committee on Finance and Taxation of the Florida House of Representatives. In addition he speaks as chairman of the Government Operations Task Force of the National Legislative Conference.

In his testimony, Representative Turlington makes the following points:

First. Any Federal legislation must incorporate proper safeguards to protect the States' right to tax.

Second. Jurisdictional standards need to be amended to provide a sales volume test for nexus.

Third. "Nowhere income" must be eliminated, that is, all taxable income must be subject to State taxation.

Fourth. All taxable income should be apportioned among the States on the basis of the three-factor formula.

Fifth. Dividends of all types must be part of the tax base of corporate income.

Sixth. Consolidated returns must be allowed. Section 209 of the bill is not an administratively feasible alternative to consolidation.

Seventh. Exemption registration procedure in section 304 of the bill will undermine the State's ability to enforce its sales and use tax law.

Eighth. Court of claims, as presently constituted, does not appear to be the appropriate court to try disputes arising under this bill and Public Law 86–272, as amended.

Ninth. Congress should grant its consent to the Multistate Tax Commission.

Mr. Speaker, in view of the importance of this subject and the excellence of Representative Turlington's presentation, I insert at this point the text of his statement:

THE SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE OF THE COMMITTEE ON FINANCE, SEPTEMBER 19, 1973

Mr. Chairman and Members of the Committee:

I am Ralph D. Turlington, Chairman, Committee on Finance & Taxation of the Florida House of Representatives and Chairman, Government Operations Task Force of the National Legislative Conference. I appear here today to testify with respect to S–1245 introduced by Senator Mathias. Having been a legislator for 23 years, a former Speaker of the House and currently Chairman of Finance & Taxation Committee of the Florida House of Representatives, I feel that I am quite familiar with the issues involved in S–1245. In addition, I am currently Chairman of the Government Operations Task Force of the National Legislative Conference.

The Florida Legislature enacted a corporate income tax in a special session in November, 1971. As Chairman of the Committee on Finance & Taxation, I was the chief sponsor of this legislation. During the drafting stage and at committee hearings on this important measure, we fully considered and debated all of the issues involved in S–1245 which deal with the corporate income tax. After extensive hearings and debate, Florida decided to pursue the full apportionment route, by which all taxable income, based upon a three-factor formula of sales 50%, property 25% and payroll 25%, is apportioned among the states. Florida decided to piggyback the Internal Revenue Code using federal "taxable income" thereby including dividends received as part of the taxable income to be apportioned. Florida also decided to allow consolidated returns for affiliated groups on the same basis as the U.S. Internal Revenue Code. Florida, as you probably know, deviates from a complete piggyback of the Federal Code by taxing interest on government securities and exempting foreign income.

I believe that federal legislation setting jurisdictional guidelines and methods for the apportionment of taxable income, with proper safeguards to protect the state's right to tax, are desirable in order to achieve uniformity for state taxation. Furthermore, the federal legislation should protect the multistate business from having more than 100% of its taxable income being subjected to taxation in the various states in which it does business. In order to support federal legislation in this area, however, the states must be assured that all corporations will actually report all of their taxable income to the states. The states need a mechanism to insure that all taxable income is subject to taxation, while at the same time, corporations need assurance that not more than 100% of their income will be subject to state taxation. Federal legislation must provide for either multistate audits to be performed under the Multistate Tax Commission or provide that some federal agency, such as the Internal Revenue Service, will ensure that corporations are in fact reporting all of their taxable income for proper apportionment among the states. This will protect corporations from the unfair competition of other corporations which do not properly report their income as well as ensure the states that they are receiving all of the tax to which they are rightfully entitled.

As presently drafted S–1245 does not achieve equity for the states and, for this reason this bill may not be best vehicle. This bill restricts the states right to tax without seeking equity among the taxpayers. The jurisdictional guidelines follow essentially the concept of Public Law 86–272. But in so doing, this bill has permitted two large tax loopholes.

First, section 101 of the bill sets forth jurisdictional standards which must be satisfied before a state may impose a corporate income tax on the corporation. These jurisdictional standards focus only on the way a corporation conducts business in a state and not on the amount of business done in a state. A corporation could establish a regional office and warehouse in one state and solicit orders from surrounding states. Regardless of the amount of business derived from the surrounding states S–1245, as presently drafted, would not subject that corporation to tax in any states but the ones in which the regional office and home office are located. This emphasis on form of conducting business fails to recognize the right of a state to tax a corporation which is earning substantial amounts of income within the state.

I would propose that this section be amended to provide that a corporation with total sales volume of approximately $2,000,000 per year which derives sales in excess of approximately $300,000 per year from a state be subject to tax in that state. This would not cause any compliance problems for a truly small business since these volume figures hardly describe a small business. This volume test is valid in that a corporation doing this volume of business in a state is using the state as a market and is eligible to receive valuable state services and protection while doing business in that market. I repeat—the present draft places a premium on the form of conducting business and not on the corporations size or market effect within a state—which is not equitable to the states.

Second, S–1245 does not solve, or attempt to solve, the problem of "nowhere income" Under S–1245 all taxable income is apportioned to the various states on a sales destination basis. But, if the state to which the income is apportioned does not have sufficient nexus to tax this income then, because there is no provision for throwback rule in the bill, the income so apportioned escapes taxation. Two important concepts of taxation are:

(1) that all income of a corporation should be subject to taxation and,

(2) that all taxable income should be apportioned among the states able to impose a tax because of the nexus rules.

This can be accomplished in either of two

ways. The bill should provide for either a throwback rule, or the sales factor in the bill should be amended so as to provide for the exclusion of sales in both numerator and denominator that are deemed to be made in states not having sufficient nexus to tax this corporation.

Notice, this does not mean that all income will in fact be taxed, but simply that all income will be subject to tax. This "nowhere income" really discriminates against small, intrastate business which must compete with the large, interstate business. The income of the intrastate corporation is all subject to tax, whereas, because of the way in which it conducts business, the interstate corporation may not be subject to tax in the state due to the lack of nexus. This bill, in reality, creates unfair competition in favor of the large, multistate corporations as opposed to the small, intrastate business.

Probably the most controversial area in respect to the taxation of corporate net income is in the area of the taxability of dividends. Dividends constitute a source of income from a variety of investment forms, and the problems of dividend taxation cut across industry lines in many different ways. Dividends arise principally from payments received from "controlled" (wholly-owned or partly-owned) subsidiary corporations; from foreign corporations which remit to their U.S. parent; and from pure "investment" sources, such as the dividends received by corporations investing their idle cash in corporate securities.

The federal treatment of dividends is basically dependent upon the dividend source. If a corporate taxpayer receives dividend income from a domestic (U.S.) corporation, the Internal Revenue Code grants an automatic deduction for 85% of that dividend receipt (100% if the paying and receiving corporations are members of an affiliated group).

This deduction eliminates severe double taxation at the federal level, since the dividend-paying corporation has earned income subject to U.S. tax and did not receive a deduction for its dividend payment in computing its federal taxable income.

Intertwined with the taxability of dividends is a fundamental principle of state taxation which should be explored to some extent at this juncture. Historically, states have "allocated" or assigned to one particular state 100% of certain types of income derived from corporate activities. Typically dividends, interest, rents, royalties, and capital gains were "allocated" in full to the state of "commercial domicile" of a corporation. What this simply means is that the dividend income received by a corporate taxpayer would be "allocated" by almost every state in which it does business so as not to be taxable in those states, while being subject to tax in full in the one place where it has its commercial domicile. Of course the state of commercial domicile could, and in many cases does, choose not to tax dividend income at all. As a result, if all states "allocated," no dividend income received by such a corporation would be taxed anywhere.

In contrast to the "allocation" of certain items of income (the most significant of which is dividend income), the balance of operating income derived by corporations doing business in more than one state is typically "apportioned." That is, dividends are apportioned among the states in which the business is conducted. The methods of apportionment vary, but a three-factor formula based on payroll, property and sales is the method most widely accepted.

The Florida Corporate Income Tax Code does not attempt to allocate any items of income to the commercial domicile of a corporate taxpayer. It endeavors to apportion 100% of corporate net income, from whatever source derived, and to attribute to Florida its apportionable share of all of that net income. This method of state taxation is sometimes called "the new Massachusetts approach," since that state recently changed from the allocation/apportionment method to 100% apportionment.

When business representatives discuss the dividend question they tend to operate in the frame of reference with which they are familiar in most other states—namely, that dividend income is "allocated" to a particular jurisdiction rather than being subject to tax in a multiplicity of places. This historical practice has, I think, tended to result in an allocation of certain types of income to a very few states where commercial domicile is concentrated. New York, California, and Illinois are the major commercial domicile states.

Obviously under "allocation" procedures, corporate taxpayers need only convince one legislature—the legislature in their commercial domicile—that dividend income should not be subjected to taxation. Thus, one finds that some commercial domicile states exempt, in fact, all or a major portion of the dividend income received by their corporate taxpayers.

The arguments against taxing dividends are persuasive. Dividends constitute the one type of corporate income which does not have a corollary deduction for the paying corporation. So there is a definite potentiality for double taxation in the federal tax scheme. As previously indicated, however, Congress alleviated double taxation at the federal level.

On the other hand the subcommittee should be aware that there are reasons why dividend income from various sources should not all be treated alike. Dividends from foreign, corporate activities might well be excluded from taxable income in the states on the grounds that they should not extend their tax base to the international operations of the corporate community. Similarly, a case can be made from excluding from income dividends which are received from "controlled" corporate affiliates—such as those which are 100%-owned or 80%-owned—on the ground that these corporate entities are merely an extension or "branch" of the parent, and not a suitable subject for double taxation. (An elimination of dividends within a controlled group can also be achieved through the filing of consolidated returns.)

A less persuasive case can be made for excluding dividends which are received from ordinary investment activities since dividends received from this source enter into the general operation, finances, and activities of corporate taxpayers to the same extent as their other operating receipts.

Opponents of dividend taxation suggest that dividends should be taxed to no greater extent by the states than by the federal government. This essentially means that all foreign dividends, and at least 80% of all dividends received from domestic corporations, would be removed from the state tax base. As to the latter it is well to consider the probably rationale for the federal tax policy, which I believe is a rationale for the federal tax policy, which I believe is a reluctance to tax the same income twice. It does not follow from this reasoning, however, that the states should be forced to adopt the federal tax treatment. It is not true that income received by corporate taxpayers in a state, or even income apportioned to a state from out-of-state corporate entities, would have been taxed first by that state at the subsidiary level. It would be coincidental if that were, in fact, the case. And although the operating income of the subsidiary may have been taxed by another state, that in itself does not provide a reason for the states to relinquish taxability of the parent if it is a corporation doing business in the state.

S–1245, therefore, should be amended to allow full taxation of income from whatever source, including dividends, with full apportionment among the states having nexus. There is no reason for a holding company to escape taxation as it performs very valuable management services which create income in the subsidiary. They also receive the services and protection of commercial domicile in the state. Most of the dividend income problems can be solved by allowing consolidated returns. And S–1245 should so provide.

The provision of S–1245 as contained in Section 209 is not workable at the state level and is thus not a substitute for the consolidation question. The provision is akin to Section 482 of the Internal Revenue Code which even the Internal Revenue Service has great difficulty in utilizing. The states just do not have the administrative expertise to enforce this type of provision.

Apportionment of taxable income should be based upon the well accepted three-factor formula. However, the apportionment formula should be applied to all taxable income, including dividends. If the nexus standards continue to allow for taxable income to be apportioned to states without the right to tax such income—then, as previously stated, the apportionment formula must be revised to provide for either a throwback rule or, in the alternative, deletion from the numerator and the denominator of the sales factor of sales made in these states. The "distinction concept", determining where a sale is located, is workable. But, without these changes in the sales factor the bill cannot achieve accountability of all income for taxation.

In the area of sales and use taxes S–1245 purports to codify existing jurisdictional standards arrived at through court decisions. This codification is nullified somewhat by section 101(4) which relieves the seller, with no business situs within the state, from collecting or paying the sales or use tax if he obtains a registration number (section 304) from the purchaser. This would seem to open the door to relieving solicitation-only, out of state sellers, from collecting use tax from in-state, non-retail buyers, and thereby undermining the state use tax system with tremendous tax losses.

Also, removing the acceptance of this exemption certificate by the out-of-state seller "in good faith" can be very disastrous to the administration of these taxes. This good faith requirement has long been a major tool for protecting the state against an out-of-state seller accepting a resale certificate with respect to sales of items which he knows, or should have known, were not purchased for resale. The difficulties of audit which would be created by this exemption certificate provision as now contained in S–1245 are staggering to contemplate. This provision must be changed to coincide with existing state laws.

Section 401 of S–1245 would grant jurisdiction to review *de novo* any issues relating to a dispute arising under this act or under Public Law 86–272, as amended. This implies to me that by enacting this section, Congress would be saying that state courts are not competent to arrive at just results. If this the intent of Congress I cannot accept it. It is insulting to the states. I am not persuaded that there is a need for a federal court for this purpose.

I would also request that this subcommittee support the Multistate Tax Commission. The Commission represents the cooperative effort of twenty-one (21) member states and fifteen (15) associate member states, working together to resolve the problems of state taxation. The Commission has recently made great progress in trying to arrive at uniformity of state action in this area. In order to achieve this highly desirable uniformity of taxation and efficiency of tax administration, the states need the continued benefits that flow from the joint and cooperative efforts that this Commission has encouraged and achieved. The states need the Commission to conduct legally coopera-

tive audits for the states so as to protect the honest taxpayers who are properly reporting all of their income, as opposed to the other taxpayers who are attempting to slip some of their income between the cracks. Continued success of the Commission may well depend upon the encouragement of the Congress through congressional consent to its activities.

Thank you for the opportunity you have granted to me to be heard on this very important tax measure.

PAKISTAN'S PRIME MINISTER IS WELCOME HERE

(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, America should extend a warm welcome to Pakistan's Prime Minister Zulfikar Ali Bhutto. His visit is a reaffirmation of the long-standing tradition of friendship between Pakistan and the United States. Pakistan has been making positive progress toward economic stability after a shattering series of incidents which would have been disastrous to any but a people determined to maintain their identity as a stable, cohesive country. There has been the very difficult aftermath of a disastrous war in which India joined in the dismemberment of the country. The long and difficult problem of obtaining release of 93,000 Pakistani prisoners of war, including women and children, produced additional serious problems. Now apparently that has been resolved and there are other hopeful signs of a more cooperative relationship between Pakistan, India, and Bangladesh. Recent disastrous floods in Pakistan have complicated that country's problems.

There will be a need for understanding and assistance on the part of the United States, particularly for economic assistance for emergency food supplies and credits for use in rebuilding the country's productive capacity. Mr. Bhutto has turned Pakistan in the direction of parliamentary democracy and is prepared to play an important part in the security of South Asia and the Middle East. In these matters his government and his country deserve encouragement and support from the Western powers. It should be remembered that Pakistan has been a warm and steadfast friend to the United States for many years. Now Pakistan needs evidence that this friendship is reciprocated.

WHY SIHANOUK?

(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 may be purely accidental or it may be careful planning, but whatever the reason, we see and hear altogether too much of Sihanouk on American television programs. Why Sihanouk? He is a deposed ruler who was hostile to the United States when in office and who can be expected to continue that hostility if he is returned to power. Why do we not see Lon Nol or members of his government? Theirs has been a government friendly to the United States. Cambodia is fighting for its life against Communist forces backed, supplied, and advised by the North Vietnamese, and Sihanouk has no plans for coalition or compromise with the members of the present Government of Cambodia. Communists execute those whom they defeat.

Sihanouk has been called a neutralist, apparently to improve his image in the United States. It was Sihanouk who refused to continue relations with the United States, who opened the Port of Sihanoukville to full use by the Communists, with a short supply route across his country for Communist supplies for their forces in South Vietnam. That is a strange kind of neutrality.

It would be preferable if we could see friends of the United States and of democracy instead of enemies on the Nation's networks.

PRESIDENT URGED TO RECONSIDER PRINCIPLES AND STANDARDS ANNOUNCED BY WATER RESOURCES COUNCIL

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, in the Federal Register for Monday, September 10, 1973, there appeared an announcement by the Water Resources Council of the establishment and adoption of principles and standards for the analysis of water resource development projects, to become effective on October 25, 1973. These are criteria by which all Federal and federally assisted water and related land resource programs are to be examined to determine whether or not they warrant the support of the executive branch of our Government. The authority to promulgate rules of this character was contained in the Water Resources Planning Act of 1965; a statute designed to clarify and standardize the role of the Federal Government in water development and otherwise assure a viable continuing program.

The principles and standards have been under consideration for more than 4 years. They were initially developed by a task force of career individuals at the agency level. A number of interim releases have been made, public hearings have been conducted and most interested persons have had an opportunity to review and comment about them. The principles are represented by the administration as a progressive step in public policy, designed to assure that more beneficial and justifiable water programs will result in the future and that the relatively few excesses and mistakes that have happened in the past will not be repeated.

There is no question that the administration's stated objective is a commendable one. The Congress and Executive, alike, have no higher responsibility than constantly to survey our institutions and procedures in the interest of assuring their applicability in times of change. The question, Mr. Speaker, is whether the new principles and standards will, indeed, accomplish change for the better or the worse. While I concede that sincere people may differ with my appraisal, I cannot escape the conviction that the adminstration's adoption of the new principles and standards represents a step in the wrong direction. It is wrong because it is virtually certain to limit and constrict badly needed economic development over the long haul and will probably stop it completely for the length of time required to install and perfect the new concepts.

There are three aspects of the principles and standards that give me serious concern. The first and most immediate problem is the sheer complexity of the new analytical system. The statement in the Federal Register extends to more than 165 pages of text and illustrations of highly technical economic discussion. In addition, the procedures for implementing the principles and standards are yet to be developed by the action program agencies. It occurs to me that months, if not years, will be required to develop the implementing procedures and standardize them among the affected programs before the operating offices of the several departments can be given the green light to proceed under the new system.

There is an allied question concerning the extent to which completed work must be revised. The standards suggest that authorized programs are subject to reanalysis and that portions of projects already under construction may be subjected to further study under the new ground rules and guidelines. As a minimum, there can be no doubt that the standards and principles, in their total scope, afford the authority to an administrator to selectively delay any proposal almost indefinitely, without regard to its economic and financial merits or its level of public support.

On a more detailed level there are two aspects of the principles that have the very likely effect of limiting justification. The most visible of these is the adoption of a new formula for determining the discount rate for benefit-cost evaluation. In this connection, I quote in its entirety the section of the principles having to do with discount rates.

The discount rate will be established in accordance with the concept that the Government's investment decisions are related to the cost of Federal borrowing.

Of all the input factors that influence justification, the most crucial is the rate selected for discounting benefits. Considering this to be the case, it is surprising to note that 23 words out of a statement extending to 167 pages have been devoted to this topic. Examining the above words closely, it seems clear that the statement could hardly be less precise. Compared to previously prevailing criteria, the adopted language may be interpreted administratively to suit the predisposition of any person's point of view.

Representatives of the executive branch have stated that the current rate deriving from the new formula will be 6⅞ percent. I am not at all certain how this amount has been derived, what borrowings it purports to include or who made the computations. Surely, the authors of the principles and standards could

tell us a little more about this than they have seen fit to do. So far as the outside observer can tell, the executive branch has adopted a discount rate formula that will enable its analysts to select any percentage that it cares to choose.

On the philosophical level, I am greatly concerned that the Water Resources Council has seen fit to override its task force and eliminate considerations of regional development and the well-being of people from the array of objectives it seeks to accomplish through water and related land resource development. The reliance on national economic development effects as the only affirmative justification for public investment puts public decisionmaking in the same basis as is used by profitmaking free enterprise. I believe in the free enterprise system but hasten to add, there are many worthwhile things to be accomplished in the public interest that cannot and will not be undertaken by private capital. This is the role of Government; to do those things that private enterprise cannot afford to do or cannot take the risk to accomplish. Very early in my congressional career, this creed was publicly announced by the late President Eisenhower who said that he was borrowing this bit of philosophy from President Lincoln. In between these forward-looking leaders, the same principles governed Theodore Roosevelt to bring the Federal reclamation program into being—and Herbert Hoover to support the Boulder Canyon project, the major structure of which now bears his name.

Had these predecessors of our present brand of republicanism subscribed to the notion that public decisionmaking must conform to the rules of private enterprise, most of our Western development from the transcontinental railroad system, to the great benefit producing water and power systems, of the arid West, would never have happened or, at best, would have been long delayed.

Mr. Speaker, in this era of changing values and problems, America cannot afford to tie its own hands, to limit its ability to foster economic growth through development—and to turn its back on its potential for improving the standard of living of its citizens. I fear this to be the effect of these ill-conceived principles and standards and urge the President to reconsider them in the interest of not only the West, but of all society.

MHD—A REALISTIC CONTRIBUTION

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, the public visibility of the energy crisis in its most symptomatic expressions seems to increase with each new issue of the weekly news magazines. While public awareness is to be applauded, it is unfortunate that the public dialog rarely gets below the level of gasoline prices or current supply of heating oil. In this atmosphere our constituents rightly ask: "What is being done about it?" The facts are that research and development on energy is advancing on many fronts. Both public and private funds are advancing knowledge in nuclear, solar, and geothermal energy.

I wish, at this time Mr. Speaker, to call to the attention of my colleagues in the House some new developments in MHD—Magnetohydrodynamic—energy production. This process is under development both in the United States and the Soviet Union. The following is a report prepared by Lionel D. Edie & Co., an economics consulting firm, with the assistance of Chemalloy Minerals, Ltd., Avco Everett Research Laboratory, Inc., and the Avco MHD Steering Committee. The committee members are:

W. M. Irving, chairman, Boston Edison Co.

Dr. R. A. Bell, Consolidated Edison Co. of New York, Inc.

Dr. L. Weiss, Consolidated Edison Co. of New York, Inc.

R. H. Meyer, Northwest Utilities Service Co.

C. G. Parker, New England Gas & Electric Association, Cape & Vineyard Electric Co.

C. A. Powell, Baltimore Gas & Electric Co.

Dr. R. J. Rosa, Avco Everett Research Laboratory, Inc.

J. H. Salomon, United Illuminating Co.

John Endres, EPRI—EEI.

Dr. Harold Lurie, New England Electric System.

The material follows:

MHD—A REALISTIC CONTRIBUTION TO SOLVING THE ENERGY CRISIS

Gas rationing, service and plant shutdowns, expensive conversions from natural gas to low-sulfur oil, and rising energy costs constitute the price the American consumer pays for the shortsighted policies of the past that have brought about the present so-called energy crisis. In addition, increasing US dependence on Mid East oil exports has caused the economic power of Arab states to also increase—this Arab power can and recently has been used to speculate against the dollar and contribute to international currency disruptions.

The energy crisis is really a planning crisis—a human phenomenon and not a nasty act of nature. The requirement, therefore, is circumspect planning—setting of national goals that can blend the economic, political and environmental pressures into a balanced program of growth for the US.

FACTS

1. The worldwide demand for fuel increases rapidly—threatening to exhaust our known and anticipated reserves.

2. Time is not on our side. Billions of years are needed to regenerate our basic oil, coal, and natural gas resources. Given present consumption levels, the oil supply will run out in 20 years; our natural gas will be used up in 30 years; while coal's life span has been estimated at 400 years worldwide if the population and per capita energy consumption were to double in that time, or 200–300 years if coal is used to synthesize oil and gas.

The message is clear. We must supplement our domestic oil supply and speed up the use of coal.

We are burning the candle at both ends. Strict environmental standards in the US increase fuel consumption, further reduce the supply by excluding high-sulfur fuels as unacceptable, and thereby force electric utilities, industry, motor vehicle owners, and homeowners to scramble for the remaining limited supply. This trend will spread worldwide. With coal use and production in a downslide, and with natural gas restricted to home heating use, electric utilities and industry find themselves increasingly dependent on oil. This reshuffling has upset normal supply-demand balances.

RELIEF

Two corrective measures are needed: conservation of resources and greater conversion efficiency—and a well-directed, well-coordinated national program for developing and using our resources in an efficient manner. The President has pointed the way by appointing a coordinator and single energy authority who will report to him.

COAL AND MHD

It is common knowledge that the vast coal resources can provide a solution to our energy crisis. The conclusion is that "only coal, the giant fossil fuel, can be considered a substitute for oil or gas." New coal technology emanating from this precept focuses on four processes: coal gasification; coal liquefaction, coal hydrogenation; and direct conversion of coal into electric power—MHD.

What is MHD?

MHD (magnetohydrodynamics) is an aerodynamic method of converting fuel directly and efficiently to electricity by the interaction of a flowing ionized gas with a magnetic field. Fuel is burned to produce the ionized gas, which acts as a conductor of electricity as it passes through a channel in a magnetic field. This interaction induces a current in the gas; the current is gathered by electrodes through the channel walls. The heat may come from any fuel—fossil or nuclear. We are interested in the use of coal for MHD. Combustion gas from burning coal must be heated to the plasma state—temperatures of 2000–2500° C, the temperature of rocket engine exhaust gas—and seeded with potassium and/or cesium to increase electrical conductivity for the conversion process. The Bureau of Mines has established that the most efficient and least expensive seeding is with a combination of 85% potassium and 15% cesium. Using the hot gas stream directly as a generating unit simplifies the process of converting heat energy to electrical energy. After the MHD conversion process the gas is still hot enough to operate a waste heat boiler and a convention steam turbine "bottom" plant, to generate even more electricity.

MHD is the only process capable of the very high operating temperature needed to improve energy conversion efficiency. Since the MHD conversion process incorporates neither prime moving parts nor centrifugal field, the MHD generator can operate with water cooled walls at extremely high temperature. This leads to efficiency. Conventional steam turbine plants, fired with fossil fuel, have about reached the theoretical 40% conversion efficiency limit imposed by the relatively low feasible operating temperature of the steam turbine. Nuclear fueled plants are less efficient—about 33%—due to the limit on temperatures attainable in nuclear reactors. Gas turbine plants, with a steam "bottom" plant absorbing the waste heat in the gas turbine exhaust, have conversion efficiency in the 40–45% range. "First generation" MHD plants, with design based upon MHD technology already well understood, will have a 50–55% conversion efficiency, and an increase to 60% appears possible after further development of MHD. Some of the materials and the high-temperature technology needed for MHD have already been made available by the US high-heat space technology.

The Economics of MHD:

The two-stage nature of electricity generation in the MHD process increases the

efficiency—and holds down the cost—of coal conversion; in addition, the ability to recover up to 99.5% of the potassium-cesium seed not only makes the economics of MHD competitive with existing conventional coal-powered utility plants but also gives it an economic advantage over other processes for using coal and over other methods of generating electricity. Cost studies conducted by the Bureau of Mines Research Center in Pittsburgh indicate the following:

Power source and capital costs per kilowatt

Conventional Coal: $280 (includes $55 per KW for a stack scrubber).

Nuclear: $500 (includes $15 per KW for cooling).

MHD: $250.

While the breeder reactor is still years away, its cost is estimated at several times that of the nuclear plant.

Operating costs tabulated for 1970 show a similar advantage. While conventional plant costs are approximately 10 mills per KWH, MHD is a little lower (9.1 mills) and nuclear is higher (11.5 mills). Savings can also be calculated from the higher efficiency of MHD plants. A 1500 megawatt conventional plant consumes 3.5–4 million tons of coal. Assuming MHD's efficiency at 52%, coal use should drop 23% for a saving of 800,000 tons of coal per year. At $8 per ton, the annual savings for a 1500 megawatt plant would be $6.4 million. As efficiency grows to 60%, coal could reach 33%, or $9.2 million per year for a single 1500 megawatt plant.

There are other factors. The NOx in the MHD process can be converted into nitrate fertilizer; high-temperature combustion chemistry can offer many other possibilities for by-product and auxiliary use.

Thus the economics justify further funding, emphasis and support for MHD by all sectors—government, utilities, coal producers, and other suppliers to the utility industry.

Why MHD?

Electric power is most convenient. It is safe, clean at the point of use, and required everywhere. Generation depends largely on the use of coal, oil and gas. Coal was the major fuel until the recent advent of environmental strictures; oil and gas are now used in larger volumes and in 1973 nuclear power beagn to appear in significant quantities. Federal Power Commission forecasts (below) indicate that by 1990—when power demand will be four times that of 1970—47% of the electric power generated will use fossil fuels, including coal, oil, and gas, while nuclear power will account for about 53%.

PERCENT DISTRIBUTION OF FUEL SOURCE FOR ELECTRIC POWER GENERATION

	1960	1970	1980	1990
Coal	68	54	41	30
Natural gas	24	29	14	8
Oil	8	15	14	9
Nuclear		2	31	53

It is risky to rely on nuclear power for more than half the requirement for 1990. Nuclear plants keeps running into trouble, which can persistently disrupt our electric power supply. Site location, development of fast breeder reactors to assure nuclear fuel supply, safe handling of radioactive wastes, and reduction of thermal pollution must be achieved before we can count on the above projections of nuclear fuel use. We need some "insurance"—in alternative and supplementary processes—such as MHD.

While the FPC forecasts less reliance on fossil fuels than on nuclear as a percent of total (under the unlikely assumption that nuclear plants can be completed on schedule) the fossil fuel requirement will, nonetheless, double in volume. In addition, electric utilities will have to think about maintaining the capacity represented by their existing fossil fuel plants.

Moreover, increased fuel conversion efficiency becomes a major goal for the US as well as for the rest of the world. The anticipated expenditure of $500–$750 million for MHD will not only provide insurance; it also will:

Permit the US to use its abundant coal efficiently. Because of the two stage nature of MHD power generation, conversion can be increased from the present 40% ceiling in conventional fossil fuel plants to 50–55% in the first generation MHD plants, to 60–65% in a second generation plant.

Permit the use of high-sulfur coal as its basic feed; coal with a sulfur content of 4% is usable in this process with minimal air pollution.

Reduce sulfur dioxide (SO_2) emissions to practically zero (5 parts per million).

Reduce emissions of nitrogen oxides (NOx) to 0.1%—well within EPA standards of 0.7% for future coal-fired plants.

Reduce thermal pollution to one-half or one-third that of present fossil-fuel power plants. Even this level of thermal pollution could be virtually eliminated by combining an MHD generator with a supplemental gas turbine. This combination would have no steam condenser, and would thus obviate the need for cooling water, except for the channel.

We have the opportunity to exploit the most significant improvement in energy conversion technology since the 1896 invention of the steam turbine. It will enable us to use dirty coal without fouling up the air. It will mean a 30–50% reduction in coal needed per KWH of electricity. It will relieve the need for burning scarce oil and gas to generate electricity. Depending on acceptance by the Electric Utilities, substantial savings in fuel costs can begin by 1985, and grow to $6 billion by 2000. Savings in petroleum imports by 2000 can be an impressive $20 billion.

TIME AND MONEY

Unfortunately, there is no immediate cure-all—any of the proposed solutions would take time and money. Coal gasification has captured the American imagination—funding for both R&D and a pilot plant has been provided by government and industry. But MHD, the most efficient way to convert fuel energy into electric power production, has been relatively neglected and has limped along with dribbling support. The reason is that popular opinion has pegged MHD as "far off and way out." This is a surprising attitude for a country that has learned to make things happen.

While the US has made the most of only $5 million allocated to MHD in fiscal 1973 from combined government and industry sources—Russia has built and started up a pilot plant designed to deliver 25 megawatts of power to the Moscow grid. The motivating factor for the Russians is not a dwindling fuel supply; rather, it is the desire to increase conversion efficiency. For the Russians, MHD is the answer. Their pilot plant is the prelude to 1000 megawatt plants that can pour forth power for the growing need. The US has agreed to cooperate with the Russians; but our need is more immediate than theirs, and our funding is a small fraction of theirs. We should begin our own pilot plant immediately.

While the Russians proceed with an enthusiastic approach to a well-thought-out program with promise of prompt results, our technology and performance in MHD keep falling behind—due to lack of substantive support from the government and industry. We are ready to start a 60 megawatt pilot plant, but Congress drags its feet on the necessary appropriations.

A plan:

A program, presented to the Senate Appropriations Committee, shows how an expenditure of $533 million can result in a fully operational commercial size (1000 megawatt) plant in 1983, with construction started in 1980. The table below was derived from the testimony presented in May 1973, to the Subcommittee on Department of Interior and Related Agencies, Committee on Appropriations, United States Senate.

SUMMARY OF MHD DEVELOPMENT COST PLAN[1]

[Millions of dollars]

Fiscal years[2]	1973	1974–77	1978–80	1981–83	Total
Research and development	$3	$31	$20	$17	-------
Pilot plant		94	43	8	-------
Commercial plant		1	38	278	-------
Total	3	126	101	303	$533

[1] 1973 dollars.
[2] Year ended June 30.

This MHD development program can be broken down into three phases:

Phase I: Phase I encompasses R&D over the next five years. Outlays now at $3 million should be scaled up to $8 million a year to permit thousands of hours for testing the life of components and for experimenting with various combinations of components. After that R&D outlays can be reduced.

Phase II: This phase, beginning in 1974, and overlapping Phase I, will involve the design and site selection for a pilot plant similar to the Russian U–25, but with the capability of delivering 60 megawatts. This should prove that the system as a whole can work and would permit the selection of the best combination of components resulting from the R&D in Phase I.

Phase III: The construction of a 1000 megawatt plant—that can deliver electricity at low cost and high efficiency—can begin in 1978 with full operational capability by 1983.

Speeding up the Plan: The technology of MHD is old (13 years) and proven. Fifty scientists and engineers in about fifteen US institutions have shown that the components work in a laboratory situation. Russia, Japan, and Germany have availed themselves of our technology and have been using it in their own program. Development work should not require much more money. Therefore, it is reasonable to expect that an acceleration of the above program could further help us to bring the MHD process into useful engineering reality—within a more positive—and more suitable—time frame. If the proposed total outlay of $533 million were to be spread evenly over 8–10 years, a large scale plant should be in use by 1980–81, thus lopping off two years. This would mean an annual expenditure of $53 million—about 2% of the AEC's annual budget. Furthermore, MHD veterans indicate that the time could be shortened by two more years—by beginning Phase III earlier—for two reasons. First, the Russian experience with the U–25 should speed up our time table for evolving a commercial process. Second, MHD can be sited with some existing coal-fired steam plants—where coal supply and network connections are already available. An increase to $750 million total should accomplish this.

The initial thrust must come from US government appropriations, with private industry making significant contributions at later stages of proven development. Alert manufacturers are likely to make proprietary contributions to the technology: as these occur, the private firms are likely to fund the development necessary to protect their contributions. Individual utility companies—or groups of companies—can be expected to aid in the funding of pilot plants which will serve their customers. This has generally been the pattern of funding energy conversion, as in the development of nuclear power generation

and methods of coal gasification and liquefaction.

Now is the time—to accelerate our own work, take full advantage of the experience the Russians are ready to share with us, and get the earliest possible reward—from this important advance in energy conversion technology.

Mr. Speaker, a unique and recent contribution in the American research on MHD was made by Aveco. Their research has shown that seeding the hot gas plasma with cesium allows for two advantages. First, it increases the conductivity in the chamber which lies in the heart of the magnet. Second, it is recoverable and recyclable. In both respects cesium improves efficiency. It should be noted that Chemalloy of Canada has discovered large deposits of cesium and can provide this element at reasonable prices.

This past July, Mr. Speaker, the Science and Astronautics Committee's Subcommittee on International Cooperation in Science and Space went to Moscow and, among other things, saw the Soviet MHD research facility and talked with their researchers. I would like at this time to insert in the RECORD the subcommittee's report on that aspect of the trip. I am confident that it will reinforce the urgency of pursuing MHD in the manner suggested by the Avco/Edie report:

MOSCOW, RUSSIA

Our delegation visited the Magnetohydrodynamic (MHD) Pilot Plant, designated U–25 which is located on the outskirts of Moscow. We were greeted by the Plant Manager, Professor A. D. Sheyndlin, Director of the Institute for High Temperatures, USSR Academy of Sciences. The meeting with Professor Sheyndlin and his staff lasted approximately two hours.

Professor Sheyndlin opened the meeting by stating that the Institute for High Temperatures, which he referred to as the "MHD Institute," was established in 1961; it is, therefore, the youngest institute of the USSR Academy of Sciences. He indicated that the Institute traces its origins to the introduction, during the previous decade, of nuclear and rocket research and development. These efforts had generated many technical problems, the solution to some of which had a bearing upon energy conversion, and therefore led naturally to the development of the MHD technique of power generation.

In 1961, the feasibility of the MHD technique was demonstrated from a theoretical standpoint, and a decision was made to undertake a research and development program covering many years. The main stages of that program were described as follows: During the years 1961 and 1962, the main effort was in "physical research." In 1963 and 1964, the first pilot plant, designated U–02, was built on the site of an old electric power generating plant in the heart of Moscow, not far from the Kremlin. In 1965, the U–02 plant began operation, and has been operating continuously since that time. According to Professor Sheyndlin, the U–02 plant had been designed to generate a maximum of 2000 kilowatts of electrical energy, and has provided good experimental data, up to that range, during the past eight years.

Professor Sheyndlin stated that the U–02 plant has performed for more than 15,000 hours; that the air heater has achieved temperatures up to 2,000 degrees centigrade; and that the MHD channel, the heart of the system, has operated for approximately 300 hours. He also stated that an appropriate method has been developed for conversion of DC current produced in the MHD channel into AC current which is utilized in the commercial Moscow network.

The fourth stage of the Research and Development program involved the construction of the U–25 plant in the outskirts of Moscow. Design of this plant was begun in 1964, construction was undertaken in 1966, and the facility was completed in March of 1971.

The initial phase of operation of the U–25 pilot plant was accomplished some two months ago, in May of 1973. During the preceding two-year period, the U–25 plant achieved power generation in the 4,500 kilowatt range for periods of one to three hours of operation. The power thus generated has also been utilized in the system which supplies electricity to Moscow.

The second phase of operation of the U–25 plant is expected to be completed in 1975, and the target is to achieve power output in the 25,000 kilowatt range.

During the period 1973–1975, the MHD Institute will undertake the fifth stage in the program, the design of a huge MHD power station capable of producing approximately one megawatt of electrical energy. Assuming the experimental work projected for the U–25 plant through 1975 satisfactorily resolves existing technical problems, construction of the huge powerplant will be undertaken in 1975 or 1976 with a completion date between 1982 and 1984.

Professor Sheyndlin stated that construction of the huge MHD power plant will be very expensive, and that it will not be easy to acquire the necessary resources for several reasons. To begin with, during the next decade large-scale investments will have to be made in conventional and nuclear energy generating systems, so that there will be competition for limited resources. Furthermore, there is always resistance to innovations such as MHD, especially innovations that have not been fully proven. Therefore, it is essential for the U–25 plant to demonstrate the real advantages of the MHD technique, and to solve all remaining technical problems.

Accordingly, the program has progressed in careful, well thought-out steps. Since there are risks involved, Professor Sheyndlin's staff is undertaking only the preliminary design of the huge MHD power plant, a relatively inexpensive first step; actual construction must await the successful completion of the U–25 experiments. He stated that while he hopes the program will not lose momentum, he acknowledged that there are a number of technical uncertainties and engineering problems that must be solved before the enormous investment in the one megawatt plant can be justified.

Professor Sheyndlin then launched into an explanation of the MHD technique. He stated that the MHD method involves burning a fossil fuel with enriched air (about 40 percent oxygen), raising the temperature to as high as 2,600 degrees centigrade in a rocket-type high-pressure combination chamber, and seeding the resulting gas plasma with potassium carbonate (K_2CO_3) which promotes the ionization of the plasma.

This extremely hot ionized plasma is then expanded through a channel which is surrounded by a large electromagnet. The passage of the plasma through the magnetic lines has an effect similar to the crossing of magnetic lines by copper wires in a conventional generator. The electrical current that is produced thereby is bled off by electrodes that are fixed to the inside walls of the channel. There are fifty such pairs of electrodes in the U–25 MHD channel, and each pair of electrodes is connected to "invertors" used to convert the current from DC to AC.

Once through the MHD channel, the hot exhaust is used to generate steam in a boiler which runs a conventional turbine. Thus, electrical emergy is generated at two points in the U–25 plant, first in the MHD channel, and then by the conventional steam turbine.

Professor Sheyndlin stated that it is now possible to achieve approximately 40 percent operating efficiency in a conventional power plant, but when a MHD facility is operated in conjunction with a conventional plant during peak periods, the combined efficiency is in the neighborhood of 55 percent. The use of an MHD facility eliminates the need for the gas turbines which are now typically used in conjunction with conventional steam turbine plants during peak operation. Since gas turbines are only 20–25 percent efficient, the overall efficiency of a typical plant during peak operation is reduced, while the use of the MHD technique has the opposite effect.

Naturally, there are certain disadvantages to the MHD type facility. Professor Sheyndlin pointed out that construction costs are somewhat higher than for the conventional power generation plant. The capital investment required for a conventional plant in the Soviet Union runs between 120 to 130 rubles per kilowatt of capacity, whereas the construction costs of an MHD plant are estimated to be from 130 to 140 rubles per kilowatt. On the other hand, the greater efficiency of the MHD technique more than makes up the difference, and the cost of power from an operational MHD plant would be about 10 percent less than a conventional plant according to Professor Sheyndlin.

Professor Sheyndlin stated that fuel costs present something of a problem in the Soviet Union. He indicated that his nation is blessed with plenty of oil, gas, and coal. He explained that any fossil fuel can be used in an MHD power generation plant. He believes that all three should be used at various locations since the cost of fuel in the Soviet Union varies widely depending upon the proximity of the source.

He stated that Soviet government policy presumes the use of fossil fuels for energy for many years, until perhaps the year 2000 A.D. Following that, it is expected that nuclear power plants will predominate, and especially in those regions where fossil fuels are especially expensive because of high transportation costs.

He noted that one of the main reasons nuclear power generation plants are unlikely to be widely used in the U.S.S.R. in the foreseeable future is that construction costs are very high, approximately twice as much as construction costs for conventional power plants.

Professor Sheyndlin estimates that the Soviet Union is from three to five years ahead of the United States in experimentation with MHD. He stated, however, that the United States could catch up rather quickly if it were willing to spend sufficient money to do so. He indicated that although the Soviets are ahead of the United States, he would nevertheless urge a cooperative effort because the solution to several difficult engineering problems will, in his opinion, be achieved much more quickly if both the United States and the Soviet Union work on them simultaneously. He mentioned that some small-scale MHD research had already been done in the United States by AVCO Corporation, Stanford Research Institute, and MIT, among others.

Among the basic technical problems are: first, construction of long-duration MHD channels that can withstand the intense heat generated in the combustion chamber. Temperatures are so elevated that the state of the art in materials and structures evidently must be advanced. Second, MHD combustion has been carried on only for relatively short periods; combustion chambers must be demonstrated for extended periods and in combination with the MHD channel. Third, the entire system must be demonstrated for extended periods.

Research and development must also be undertaken to improve the electrodes that

line the inside walls of the MHD channel. Thus far, experiments have been conducted with three types of electrodes. The first called cold electrodes, are made of copper and are water cooled. The problem here is that by cooling the electrodes, the plasma which passes through the channel is also cooled and, therefore, the efficiency of the whole system is reduced. The second type are called warm electrodes. These are made of tungsten or certain types of ceramics, must be cooled to some extent, and have worked fairly satisfactorily for short periods. The third type, the so-called hot electrodes, must be made of some sort of advanced ceramic material that has the capability to withstand the intense heat without being cooled, and these are not yet developed. The lifetime of all types of electrodes to date has been relatively short.

It was learned that approximately 2,500 personnel are employed by the Institute for High Temperatures 1) operating the U–02 plant in the center of Moscow, 2) operating the U–25 plant in the outskirts of Moscow, 3) conducting research, and 4) designing the huge MHD plant projected for the future. Of these 2,500, more than 300 personnel are reported to be highly trained scientists and engineers.

MIDDLE EAST POLICY

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, the winds of change are casting a chill on our present Middle East policy, and it seems to be a propitious time to evaluate and assess where we are as to where we should be and to discuss the principles upon which any change should rest.

Thomas Jefferson, as America commenced the Revolutionary War, maintained that we were not "acting for ourselves alone, but for the whole human race." We should remember that our originally small and relatively weak Nation espoused a moral position of freedom and dignity for every individual. This stand contained such moral strength that it brought down tyrants by the very force of the idea and without the use of military intervention.

Today, as we pass the middle of a troublesome century, we have brought our military and economic power to the forefront of our actions in Europe and in Asia. We have sublimated our moral right to stand for the rights and freedom of all. The United States has approached each new crisis in the relations between nations on the basis of picking the "good guys" over the "bad guys" in an oversimplistic and unhumanistic manner that resembles a Western movie plot.

In this historic transition, we lost the active commitment to the principles that made us stand unique among nations. Our Government has been pursuing militaristic policies supporting economic aims in a manner not too different from those countries our forefathers fled and from which they sought to be freed.

In writing to Lafayette after the establishment of the new Republic, Jefferson expressed his idea of our foreign policy to his friend as follows:

It seems to be our policy to help the situation in which nature has placed us to observe a strict neutrality, and to furnish others with these good things of subsistence which they may want.

In the Middle East, I fear we have been offending both of Jefferson's expressions relating to the basic and historic American policy. Our credibility suffers when we claim to act for the whole of the human race in a situation where we appear to be taking sides. It serves neither world peace nor our national interest to distort our moral influence by seeming to favor one faction of the human family as against another. How far from Jefferson's expressions we have moved.

By ignoring human needs and placing undue emphasis on military demand, our posture in the Middle East has heightened acrimony rather than lessened tension. It is axiomatic that when you favor militant activists on one side, you are assuring the strength and are making dominant the militant activists on the opposite side. We should now initiate a policy firmly based on a constructive and active response to providing "these good things of subsistence" which both parties in the Middle East may want. Such a policy would be consistent with our national interest and with our historic purpose. If we are willing to help solve the problems of poverty in this area and provide encouragement for rightfully held expectations, then we encourage a leadership in both Israel and in the Arab States which will be more interested in peaceful improvements than in military adventures.

There are two ancient peoples in the Middle East, the Jews and the Arabs. Both are rich in culture and heritage, and can contribute much to the human family. While we have a moral commitment to assure the integrity and continuance of the new state of Israel, this should not preclude support and encouragement for both Arabs and Jews to move in paths of peace and to formulate programs of progress. As things now stand, the Arabs have the heaviest loads of poverty, and the greatest of economic needs. An objective measurement of their plight demonstrates tremendous opportunities for the use of superior technology and financial know-how to assist those Arab leaders who are sensitive to their people's suffering—those leaders who would bend both policy and budget to increase education, to broaden communication, to improve health, and to make more productive the agriculture which would assure food for their peoples' tables. Why should our policy have the appearance of division when it could reflect the stronger moral roles of continuing to act within the family of man?

Mr. Speaker, if we are, as I believe, facing the challenge of change, then we should soberly reflect upon the warnings issued by President George Washington in his Farewell Address, in which he cautioned—

Excessive partiality for one foreign nation and excessive dislike of another, cause those whom they actuate to see danger only on one side . . . Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

We are not suggesting that our first President's comments are entirely pertinent to our present policy in the Middle East, but the warnings of excesses are still germane. In all areas of the world, and in all of the determined uses of American influence we should resolve to present the moral posture of our country as the means and ends of our policy. Nowhere is this resolve more necessary than in our stances toward situations where nations are in conflict.

UNWIELDY, UNBALANCED FEDERAL BUDGET FEEDS INFLATION

(Mr. YOUNG of South Carolina asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of South Carolina. Mr. Speaker, during the August recess all of us were made aware that inflation and the high cost of food are the No. 1 concerns of our people. An unwieldy, unbalanced Federal budget has led and fed the growth of inflation. Almost 5,000 of my constituents have responded to a questionnaire I sent to all of them last month, and 84 percent of them are so concerned about the budget that they would support a constitutional amendment requiring us to balance it each year.

I went further, and asked "How much personal inconvenience are you willing to bear to balance the—Federal—budget?" Only 10 percent said "none"; 76 percent said "some, if equally shared"; and 14 percent even said "a great deal."

My people are ready to bite the bullet. They realize that we cannot have a fiscally responsible Government unless we are willing to stop demanding that the Federal Government gratify all our worldly wants through endless giveaways. We cannot have both. The people of the Sixth Congressional District of South Carolina are both intelligent enough and mature enough to admit this. I think your people are too; it is time we all faced up to our responsibilities to them.

THE FUEL SHORTAGE

(Mr. WALSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WALSH. Mr. Speaker, very often when a crisis is averted, another takes its place. In working hard to prevent one disaster, another manifests itself.

This is what has indeed happened these past few months. Early this summer, everyone anticipated a severe shortage of gasoline. Every attempt was made to avert this problem and the result was a minor shortage and considerable chaos in the petroleum industry.

It was last winter that many sections of the country, especially east of the Rocky Mountains, began to experience severe supply shortages. And it was in April of this year, that the gasoline shortages developed in numerous areas and became acute in some sections.

The response to this was a voluntary allocation procedure for petroleum products. It was soon seen that this procedure, although desirable, was not the solution to the crisis at that time nor is it the proper solution now. The past shows us that certain segments of the

oil industry were not going to comply with the voluntary procedures and nothing since then shows a change of heart. Under the voluntary system the Government has the power to urge compliance but not mandate or enforce.

In the period since the voluntary allocation procedure went into effect the attention of the petroleum industry has been in the direction of gasoline production. This production of gasoline has been at the expense of the heating fuel needs and demands. This will cause another and possibly a more serious crisis.

Gasoline for automobile fuel is for the individual primarily. In the heating season ahead not only is the individual threatened, but so, too, will be the total society, including institutions such as hospitals, schools, and other facilities.

A mandatory fuel allocation system will assure the public that their year-round needs will be taken care of rather than the needs that the oil companies want to take care of at the moment. This summer the oil companies had a crisis in the automobile fuel area, and this was combated at the expense of heating fuel production. If mandatory, rather than voluntary, allocations were in existence then, this system of constantly revolving crises might have been halted.

In 1972, the demand for distillate oil east of the Rockies rose at an astonishing rate of 10.2 percent. With this increase in demand it was reported that the major oil companies were working at near full operating capacity. Along with this report came reports from the independent producers that they were operating below capacity because of crude oil shortage.

There is here a seeming contradiction, but the fact is that the major producers control 80 percent of the total crude oil production. These major companies have the crude oil while the independents do not.

The independents, however, are of major importance. Along the east coast they serve 25 percent of all consumers and in certain areas these percentages are much higher. But it is these producers who do not have the fuel to sell to their customers.

In a recent survey made by the Independent Fuel Terminal Operators Association it was shown that of a total distillate fuel capacity of 14 million barrels, the associations members had on hand, as of June 1, 1973, less than 1.1 million barrels. This is compared to 3.1 million barrels at the same time in 1971 and 1972.

The independent oil producer who does business under the flag of a major producer is the one without the crude oil and is not producing to his full capacity as is the major. The major producers argue that they do not treat the independents unfairly but at least 1,000 of them have been permanently forced out of business. Many of the independents contend that not to follow the ideas of the majors on pricing, profits, service and company promotions is unwise.

Last year the American Petroleum Institute was running an advertising campaign with the slogan of: "A Nation That Runs on Oil Cannot Afford To Run Short." At the same time the oil producers were operating at 85 percent capacity.

Mr. Speaker, I am today introducing legislation designed to foreclose the possibility of a major heating oil shortage this winter and to prevent many of the independents from being forced out of business.

Voluntary programs are not working. If we do not act in the next 2 or 3 weeks, a major crisis may be forced upon us. The weather is turning cold in many parts of the country and soon people will be turning to the oil furnace to heat their homes.

In 1970 while serving as a member of the New York State Public Service Commission, that commission adopted mandatory restrictions on the use of natural gas and at that time issued repeated warnings about an impending electrical and oil shortage. Unfortunately, no action resulted on the Federal level and today we find ourselves faced not with an energy problem as some would indicate, but with a full-blown energy crisis.

The mandatory controls we adopted in New York State in 1970 for natural gas worked then and they are continuing to work now and it is for this reason that I am proposing mandatory fuel regulations.

I believe they will work and will prevent grave hardship this winter as our Nation continues to find itself in short fuel supply.

If we do not act soon, there will be no fuel to fire the furnaces. I sincerely urge my colleagues to act with the same speed at which the football blackout ban was lifted. This is a vastly more important matter and deserves the same speedy recognition.

COMPARABILITY PAY

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DULSKI. Mr. Speaker, this administration's action in delaying the comparability pay raise for Federal employees from October 1 to December 1 is indicative once again of the disregard for the rights of more than two million dedicated civil servants.

To date, the President has acted three times under the Federal Pay Comparability Act of 1970, and three times he has manipulated this law to the detriment of the Federal work force.

There is no justification for Federal employees to be subjected by the Executive to extraneous considerations, which have no basis either in law or in fact.

I have given serious thought to taking steps to nullify this latest move by the President by way of a resolution of disapproval. Unfortunately, a sounding of my colleagues indicates that this action has no chance of success in the House.

Rather than exerting our energies in this seemingly impossible endeavor, I have decided that a complete review of the Federal Pay Comparability Act of 1970 is in order. In fact, I believe it is necessary by reason of the fact that the law, as administered by the President, is not being implemented as it was intended by the Congress.

Our Subcommittee on Retirement and Employee Benefits has announced its intention to review the workings of the act within the next few weeks. The committee will await the results of this study and upon its completion, I will institute whatever legislation is necessary to effect revisions in the law. This, I believe, will insure implementation of the policy of full comparability for Federal employees—a principle confirmed by the Congress time and time again.

IN OPPOSITION TO DR. HENRY KISSINGER AS SECRETARY OF STATE

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, on Friday, September 15, a number of organizational representatives appeared before the Senate Foreign Relations Committee concerning the confirmation of Dr. Henry Kissinger as the new Secretary of the Department of State. Appearing for Pro America, a patriotic organization founded in 1933, John D. Hemenway, a former Foreign Service officer, Rhodes scholar and Naval Academy graduate, raised a number of objections to Dr. Kissinger's suitability to fill the job as Secretary, let alone wearing a second hat as head of the vital National Security Council. Mr. Hemenway's prepared statement which was summarized by him at the hearing appears here in full.

ON THE CONFIRMATION OF DR. HENRY KISSINGER TO BE SECRETARY OF STATE

(Witness: John D. Hemenway, 4816 Rodman St. NW., Washington, D.C. Before the Senate Foreign Relations Committee, September 14, 1973.)

Mr. Chairman.

The National Association of Pro America, founded in 1933, is an educational, patriotic, volunteer organization whose membership consists of Americans with moderate middle-of-the-road views. You may be interested in the fact that, among our many chapters in about twenty states we have a chapter in Birmingham, Alabama.

Pro America opposes the confirmation of Dr. Henry Kissinger as Secretary of State for a number of valid reasons. For your convenience I shall summarize these reasons by category and then provide several illustrative examples in the following material.

SUMMARY—EVIDENCE SUGGESTING THAT DR. KISSINGER SHOULD NOT BE CONFIRMED

I. Dr. Kissinger's professional judgment is poor

The disastrous grain deal with the Soviet Union is merely the most recent example—and not the most disastrous. His confused doctrine of "non-interference" in internal affairs is another.

II. Dr. Kissinger's foreign policy appears to have no strategy

It is based on highly dubious assumptions for which there is little or no evidence. Three premises which are crucial to and underlie most of the Kissinger foreign policy are so unsupportable that they must be considered premature:

(1) the premise that the Soviet Union has ceased to be a revolutionary power and now is a *status quo* power interested in playing according to the rules;

(2) the assumption that increased commercial and cultural ties will accelerate the conversion of the USSR into a *status quo* power to provide us with "peace in our time".

(3) the assertion that the Sino/Soviet split is permanent and so severe that US policy and a new balance of power can be built upon it.

Not only is there little evidence to support the above basic assumptions underlying Dr. Kissinger's foreign policy, there is a considerable body of evidence to the contrary.

III. Serious constitutional and institutional problems

Arise in connection with Dr. Kissinger's confirmation.

IV. Dr. Kissinger's administrative ability is unproven

At a time when the Department of State badly needs reform, selection of a number of persons by Dr. Kissinger to sensitive tasks provides evidence that there is something wrong. I have in mind Mr. David Young, now indicted; Mr. Helmut Sonnenfeldt, whose confirmation as Treasury Under Secretary has been held up for a number of valid reasons; and the selection of Mr. Armand Hammer to be US Ambassador to the Soviet Union. Mr. Hammer, a friend of Lenin and about every other leader in the Communist Pantheon, had the foresight to decline the appointment.

For the reasons summarized on the previous page, Pro America believes that Mr. Kissinger's nomination as Secretary of State should not receive the advice and the consent of the Senate.

Last Saturday, September 8, due to the fact that the Senate Foreign Relations Committee was examining the credentials of Dr. Kissinger, a seminar of ten experts was convened to consider US foreign policy, under the auspices of the University of Plano (Plano, near Dallas, Texas). As Dr. Morris, President of the University of Plano explained, the various senators questioning Dr. Kissinger were not coming to the essence of US foreign policy. Pending the publication of a monograph on the seminar, a summary for the press was prepared and distributed for the use of each senator/member of the Foreign Relations Committee on 11 Sept. A copy is submitted as an attachment to this testimony.

The seminar findings reveal an astonishing similarity between the concerns regarding US foreign policy and peace expressed by Alexander Solzhenitsyn on September 11 and those voiced three days earlier by the ten experts meeting on Capitol Hill. Dr. Morris pointed to this similarity in a telegram sent yesterday, September 13, to Solzhenitsyn. A copy is attached for your information.

With the conclusion now of these preliminary remarks, a more detailed examination of the evidence suggesting that Dr. Kissinger should not be confirmed follows:

I. UNFORTUNATE DECISIONS POSSIBLY REFLECTING BAD JUDGMENT

(1) The Grain Deal With the Soviet Union is so bad that no one I have met in Washington wants to defend it. Mr. Helmut Sonnenfeldt acknowledged on May 15 at his confirmation hearing that the administration erred (i.e., Kissinger/Sonnenfeldt erred) in concluding the arrangements. Recent statements by Federal Reserve Chairman Burns and Secretary of the Treasury Shultz indicate that bad judgments and faulty policy assessments were involved for which Dr. Kissinger is responsible.

The Soviet grain deal was handled as a foreign policy matter and National Security Adviser Kissinger was responsible for its execution.

This blunder has cost us many billions of dollars, so far, and it has endangered our national food supply for the first time in our history. It has permitted our own food to be used as a political weapon against us in a decade when food is increasingly important as a weapon for peace.

The financial losses incurred by Dr. Kissinger in this one calculation would be sufficient to run the Department of State for the next 15 years, at the present budgetary levels. In fact, you could run the Department of State on the interest on that money alone, calculating at current rates of at least 8%, without ever using up capital.

As early as January 31, 1972—one and one-half years ago—Dr. Kissinger formally notified the Secretaries of State, Commerce and Agriculture of the Soviet interest in buying large quantities of U.S. grain. He permitted no effort to inform U.S. farmers and the general public, thereby insuring secret negotiations with the Russians. It is odd that President Nixon, who is said to admire President Wilson ("Open covenants, openly arrived at") has a chief of staff who covets such secrecy.

In effect, we have permitted the Soviet Union to have the luxury of both guns and butter. If the housewife must pay high prices and suffers from the rampant inflation, she should know that evidence suggests that it was triggered by the grain deal. If Moscow outstrips us in the arms race and can also maintain her marginal standard of living, it is because the West provided the resources—on credit. Dr. Kissinger has set up a Marshall Aid program for the preservation of Communism which was in one of its periodic agricultural crises.

A memorandum being circulated by Senator Jackson has been quoted in the press as saying:

"The grain sale brought food to the Russians, huge profits to a few grain corporations, and more inflation to the American people.

"Selling twenty-five percent of our wheat crop created a demand situation and a sympathetic price rise of other grains which, in turn, created other shortages such as soybeans. . . . These higher grain costs pyramided into higher costs for feeding poultry and livestock and eventually the large increases were reflected in prices to consumers in higher costs of meats, eggs, poultry, butter and other commodities."

The Soviets shrewdly have accomplished what many traders in commodities have tried and failed to do—they cornered the market—and Dr. Kissinger helped them. It is now the Russians who have surplus grain to offer to the world, not the nation whose economic system produced that grain. It is inevitable that this grain will be used as a political weapon against our own freedom and that of people all over this globe. The Soviets will be able to make political adventures involving grain pay handsomely, as well, for their grain, purchased on credit for $1.50 per bushel is now worth $5.00 per bushel. By selling far below world prices they can use it for political purposes and still make a handsome profit. The United States, for its part, now has a stake in the stability of the current Soviet leadership, to which it has a loan outstanding.

It is said that, for all of Dr. Kissinger's impressive academic background, he is weak in economics. Perhaps his staff can compensate for him? One of his principal assistants (for Europe and the Soviet Union) is Mr. Helmut Sonnenfeldt, who, as Dr. Kissinger's protege, was nominated to be Under Secretary of the Treasury to direct East-West trade matters. At his May 15, 1973 confirmation hearing, Mr. Sonnenfeldt did not know the current U.S. discount rate, what the U.S. government must pay for the money it borrows to service our own debt, and he could not state the interest rate which had been given to the Soviet Union. In other words, Dr. Kissinger's immediate staff was ignorant of the basic facts needed to conclude such arrangements wisely. Is it any wonder that the President is ill advised?

(2) Mr. Kissinger's Confused "Non-interference" Doctrine.

Mr. Kissinger takes the position that the United States should avoid interfering in the internal affairs of another state. This appears to be the principal given reason for not trying to bring some relief to persecuted minority groups in the Soviet Union such as Soviet Jewry and intellectuals such as Sakharov and Solzhenitsyn.

"Non-interference" is a favorite State Department theme and therefore a comfortable posture for Mr. Kissinger. But as a doctrine it is dead wrong.

By contrast, the Soviet Union interferes constantly in American domestic affairs. For example, during his visit to the United States, Brezhnev received his comrade in revolution, the Secretary General of the American Communist Party. The American Communist Party is dedicated to the overthrow of the government of the United States by any means, including violence, if that is expedient.

Surely Kissinger must know the primitive fact that the purpose of any nation's foreign policy is to influence the domestic affairs of other nations, at least to the degree necessary to stimulate a foreign policy responsive to our own needs. Dr. Kissinger's assertions before this Committee that the US could not interfere in behalf of Soviet scientists Sakharov and Solzhenitsyn was identified by a panel of ten experts on foreign policy as the application of a moral double standard. At these same hearings (Friday, 7 September) Dr. Kissinger supported a move to repeal the Byrd amendment. In effect, he thereby advocated direct interference in the internal affairs of another nation, an act he takes at the jeopardy of US strategic interests. The Congress passed the Byrd amendment because, by refusing to buy chrome ore from Rhodesia, we cut off our noses to spite our faces. Deprived of Rhodesian ore by our own actions, we were forced to buy chrome ore of an inferior quality from the Soviet Union, the only other source of ore needed for strategic purposes. Not only was the Soviet ore more expensive, it was of a lower quality. The Soviet Union, which was not encumbered by "non-interference" compunctions of Mr. Kissinger and the US Department of State, purchased its own chrome ore from Rhodesia at a lower price and at higher grades than its own ore.

Mr. Kissinger is also on record as opposing the Jackson amendment which is supported by Senator Buckley of New York and others, presumably because of this "non-interference" doctrine. This measure is calculated to make some small gesture in behalf of oppressed minorities, although Soviet Jews probably would be the most immediate beneficiaries.

From my two years service in Moscow as a US diplomat, I know a little about this problem. In fact, I was denounced by the Soviet Union in an anti-Semitic tract called "Judaism Without Embellishment". The book was translated, in part by B'nai Brith and awakened such ugly memories in the West that the Soviets decided to withdraw it. It was one of my official duties to keep track of the official State policy in the Soviet Union of persecuting various religious minorities, whether they were Roman Catholic, Jews, Uniates, or Orthodox—all suffer from various degrees of persecution.

Americans expect to try to help people in distress. Americans everywhere can be expected to reject Dr. Kissinger's view that we should turn away—at least turn our official face away. These injustices should concern us and trouble us. If we do not admit that we are our brother's keeper, we are less civilized than we all would like to believe.

Personally, I cannot understand why Mr. Kissinger turns his official back on his co-religionists and the other groups being persecuted in the Soviet Union. If I were sitting on this Committee, I would be afraid that this might reflect a character flaw.

Press reports claim that Metternich is a hero of Dr. Kissinger's. Metternich sup-

pressed the liberties and freedom of minority groups for the entire 40 years he was Foreign Minister in the Austrian Empire. As he suppressed liberty everywhere, he also lied and maneuvered his way through the councils of Europe in the name of "stability" and "peace."

Frankly, Senators, if Metternich is Dr. Kissinger's hero, I believe the American public would like a Secretary of State with a hero whose principles are more compatible with American ideals. I am reminded that when Dr. Kissinger came to work in the White House we used to couple the words "peace" and "freedom". Now we seem to be searching only for "peace". Whatever happened to "freedom"?

(3) Kissinger's Attempt To Give Away US Naval Nuclear Propulsion Technology.

Admiral Hyman Rickover must be one of the greatest Americans of our generation. As much as any single American Admiral Rickover must be credited with providing us all in the free world with adequate security. For years, however, Admiral Rickover has had to guard US nuclear secrets from misguided American officials who wish to win praise or some other intangible benefit by offering to share US nuclear propulsion technology with our friends overseas.

Dr. Kissinger supported one such scheme. A specific proposal supported by the State Department and Kissinger/Sonnenfeldt was resisted by the Pentagon. There was a fight at every level of the NSC machinery. Admiral Rickover himself deplored this give-away project in unclassified testimony he gave before the Joint Committee on Atomic Energy. The matter finally reached the ear of the President, thanks to the vigilance of then Presidential Counselor Clark Mollenhoff and the President simply over-ruled the State Department view favored by Kissinger and Sonnenfeldt. Every bureaucratic trick was used by those persons who control the NSC machinery to promote their partisan view.

Everyone makes mistakes and sometimes what comprises error is capable of interpretation. According to Stephen Graubard in "Kissinger, Portrait of a Mind", for example, "Kissinger opposed any recognition of the East German regime . . . and had to support German unification, whatever its misgivings." Since formal recognition appears to be around the corner, Dr. Kissinger's own view on that subject must have changed. Many Americans, myself included, consider the change a mistake. There are other illustrations, such as the 1971 decision to give the Soviet Union a mission in Berlin without any compensating gesture from the Soviet Union at all. This "achievement" has paved the way for the permanent *de jure* partition of Germany, in violation of our solemn treaty obligations.

II. U.S. FOREIGN POLICY UNDER KISSINGER APPEARS TO HAVE NO STRATEGY

Close examination reveals that US policy has no underlying strategy. Further, the Senate Committee has not probed for any broad strategy underlying Dr. Kissinger's policy. In their questioning, Dr. Kissinger has protected himself by attempting to limit his response to a specific problem faced under specific conditions. It is obvious that in the foreign policy world of the "pragmatists" around Dr. Kissinger, we go from crash landing to crash landing.

On September 12, news commentator Howard K. Smith summarized our South American policy by saying, "There is no policy." Four days earlier, the ten foreign policy experts discussing U.S. foreign policy on the eve of the Kissinger confirmation hearing had come to that same conclusion with regard to U.S. policy world wide. Under Dr. Kissinger's direction, the panel members concluded, U.S. foreign policy stands for no principles that can be clearly identified; the policy is merely an *ad hoc* reaction to events.

In the case of Germany, as I have stated, four years ago (and 20 years before that) we stood for the reunification of Germany in peace and freedom. We now are about to permit *de jure* division of the country by the recognition of East Germany. This is no brave new innovation or new initiative on our part; the evidence suggests that this simply is a mistaken course. As long as I can remember, there have been persons who wanted to recognize East Germany, or Communist China.

Trips to Moscow or Peiping; recognition game plans for Mongolia and Albania; normalization of relations with Cuba all have been subjects for "think pieces" for years. The novelty of these actions does not make them wise.

Nowhere is the lack of a general strategy of foreign policy more evident than in Asia. Great gains are claimed as accruing from the President's trip to Peiping. Is it not fair to ask just exactly what are these great gains? On the other hand any claimed advantages of the President's trip to Red China have been more than offset by serious long-lasting disadvantages that include;

(1) a general setback to democracy in Asia;

(2) near collapse of the friendly Sato government in Japan;

(3) expulsion of the Republic of China (Taiwan) from the U.N.;

(4) the war or imminent collapse of Cambodia;

(5) the necessity to introduce martial rule in the Philippines.

Solzhenitsyn's writings have recalled Munich and it might be well to reflect on that. In the mid-thirties, Stanley Baldwin had to confess to the House of Commons that he had not called for rearmament against Hitler because the Baldwin government would have fallen as a consequence. The United States has now slipped to second place militarily, and the strategic balance has shifted against us. What has become of the Nixon strategy of parity and "bargaining from strength"?

Clearly the Nixon Doctrine is not a strategy for peace.

The Nixon Doctrine can justly be criticized for its imprecision. It provides yet another indication that there is no identifiable U.S. foreign strategy. How can anyone believe that the Paris Agreements actually produced "Peace With Honor", a claim advanced for this Agreement which permits North Viet Nam to keep hundreds of thousands of its troops in the territory of South Viet Nam? In fact, is not the Kissinger policy simply to "get out", i.e., to abandon our allies, but, if possible, without evident embarrassment to the administration?

III. SERIOUS CONSTITUTIONAL AND INSTITUTIONAL PROBLEMS

This nation has been through several crises in recent years; it is now in the midst of a Constitutional crisis.

Senator Javits has noted that Mr. Kissinger is ineligible for the Office of the Presidency. This means that, even if he is second in line in the named succession after Speaker Albert, should the President and Vice President be removed from office, he could not serve.

Pro America always has followed constitutional issues with deep concern. We feel that the Senate should weigh carefully possible consequences of confirming a man to a position high in the order of succession who is not a "natural born citizen" as required by Article II, Section 1 of the Constitution.

The NSC machinery poses another problem. There really is no way for solving inter-Departmental disputes at any level except to appeal them to the next higher level.

The real reason Dr. Kissinger seeks to hold two positions, Advisor to the President and Secretary of State, simultaneously has not been stated unequivocally. Let us bring it out into the open. The reason goes to the manipulation of the endless conferences and governmental machinery arising from the NSC machinery. The final arbiter has been Dr. Kissinger, the President's Advisor, in most cases.

Whenever a Department feels its own vital interests are threatened by a matter in which its view does not prevail, it escalates the fight in an attempt to reach the President—or Dr. Kissinger speaking for the President. That is why the President is such a busy and harassed man; that also is why Dr. Kissinger is such a powerful man.

That also is why Dr. Kissinger wants to hang on to his second position. It represents power. Archimedes wanted only a place to stand and a lever long enough to move the world. Dr. Kissinger as both (a) Secretary of State, and, (b) Presidential Advisor on National Security Affairs would have a place for both feet.

A pertinent question, perhaps is this: would Dr. Kissinger move the world in the right direction?

IV. DR. KISSINGER'S ADMINISTRATIVE ABILITY IS UNPROVEN

One critical test of a good executive is the ability to select subordinates wisely. If only for that reason, one must consider Dr. Kissinger's selections of subordinates. The wisdom of his choices is not always apparent.

(1) David Young. Can one ignore Dr. Kissinger's selection of David Young to be his appointments secretary? Now that Mr. Young is under indictment, the American public will have to presume that the Senate Foreign Relations Committee has thoroughly looked into that matter in executive session, because it is clear that it has not been examined thoroughly in public sessions.

(2) Armand Hammer. The selection of Mr. Armand Hammer as a candidate to be US Ambassador to the Soviet Union is even more mystifying. That the post was offered to Mr. Hammer in fact was confirmed by the Washington Post on August 27, 1973 (p. A-28) when a spokesman for the Occidental International Corporation informed the press that the post had been offered to Hammer, but that he could not accept such a post because of obligations to his company and its stockholders. Armand Hammer has had a close relationship with top Soviet leaders since 1921. A personal friend of Lenin, Hammer's father was one of the founding members of the American Communist party. Armand Hammer is an "insider" with the present Soviet regime and its top leadership and he always has been. Surely Dr. Kissinger, the president's advisor on National Security Affairs had to approve this choice before it was made. Why did he permit such an unwise selection? Mr. Hammer showed better judgment in rejecting the offer than did those who offered him the post. Conflict of interests, if not ideology, are obvious. There is no point in dwelling on this case which I use only as an illustrative example of trouble in the personnel department. As Secretary of State, Dr. Kissinger will have responsibility for many such appointments.

(3) Helmut Sonnenfeldt. The failure of Kissinger's aide Sonnenfeldt to receive confirmation as Under Secretary of the Treasury because of lack of qualifications (see, for example, Congressional Record of 23 May, 1973, page 16853) and certain security charges is a matter of record. Details of the alleged security breaches were published in *Human Events* (August 25, 1973, p. 3) and there is no need to go into them there.

Taken together—and there are other examples—these cases suggest that personnel selection is not Dr. Kissinger's talent—yet that is what he will have to do as Secretary of State.

(4) The Mollenhoff/Kissinger Stand-off. There is a far more serious matter in personnel/administration involving deep-seated attitude toward service under the President (I refer to the office, not the man). I now refer

to a series of clashes, recorded in the press, that took place between Mr. Clark Mollenhoff, when he was Counsel to the President, and Dr. Henry Kissinger.

The evidence strongly suggests that Dr. Kissinger is guilty of wrongdoing.

It is a matter of record that the Second Session of the 85th Congress (Concurrent Resolution No. 175) set forth a Code of Ethics for Government Service which states, in part:

"Any person in Government service should: . . . uphold the Constitution, laws, and legal regulations of the United States . . . and never be a party to their evasion . . . expose corruption wherever discovered."

A chronology of events recorded for the most part in the press tells a story suggesting that Dr. Kissinger does not welcome impartial inquiries:

Date and event

Two occasions prior to March 1, 1970—Mr. Clark Mollenhoff informs Dr. Kissinger and also Gen. Haig (who was promoted from colonel to four star general in three years) of serious security charges against Helmut Sonnenfeldt. There is no record of any action having been taken on the basis of Mr. Mollenhoff's information.

March 11, 1970—Name of Helmut Sonnenfeldt, Dr. Kissinger's principal aide is forwarded to the Senate for lateral admission into the career diplomatic service as an FSO–1. (This is equivalent to entering the army as a major general.)

March 19, 1970—Press reports that Dr. Kissinger is "upset" by Presidential Counselor Mollenhoff's inquiry into Biafra. Mollenhoff is investigating reports that persons in the Department of State or NSC are defeating the President's desire to give aid (food) to Biafra.

March 26, 1970—Senator Thurmond opposes the Sonnenfeldt nomination which he calls "strange" and in violation of career principles. (Congressional Record, vol. 116, pt. 7, p. 9619.)

May 18, 1970—Presidential Counselor Mollenhoff requests a copy of anti-Administration petitions signed by 250 employees of the Department of State and related agencies who signed it to demonstrate their opposition to US involvement in Cambodia. *Deputy Under Secretary Macomber refuses to give Presidential Counselor Mollenhoff a copy of this unclassified document.*

May 30, 1970—Mollenhoff announces his resignation, effective July 1.

August, 1970—Senate confirms Sonnenfeldt *after* Mollenhoff leaves the White House.

subsequent (?)—Dr. Kissinger's appointments secretary David Young begins work that leads to his indictment.

subsequent (?)—Mr. Hunt, with no White House rank, requests and gets top secret sensitive cables from the State Department. *Deputy Under Secretary Macomber provides Hunt with highly classified documents.*

December, 1971—(1) Request made of Sonnenfeldt to appear at a hearing under oath to clear up contradictory statements (Hemenway Hearing). (2) High aid of Dr. Kissinger takes what appears to be an attempt at reprisal against Hemenway, an employee at the Pentagon.

May 15, 1973—First Day of Confirmation Hearings for Helmut Sonnenfeldt to be Under Secretary of the Treasury. Hemenway introduces evidence that his entrance into the Foreign Service was fraudulent and records security violations. (See Congressional Record of May 23, 1973, page 16853; May 24, 1973, page 16955; May 24, 1973, page 16934; May 29, 1973, p. 17183; Aug. 3, 1973, p. 28320.)

In the light of the revelations of the Senate select committee hearings it seems evident from even this partial record that Counsellor Mollenhoff's efforts to pursue an investigation in the name of the President was being defeated by officials who were applying two sets of standards simultaneously. The evidence seems to suggest that Dr. Kissinger was obstructing him in this effort.

Deputy Under Secretary Macomber, who was in a position to play a key role in Helmut Sonnenfeldt's fraudulent lateral entry into the Foreign Service, also appears to have blocked legitimate inquiries for Dr. Kissinger when they were initiated by Mr. Mollenhoff. The question remains why this would be done, since both men were working for and supporting the President.

Evidently Dr. Kissinger did not always feel like a supporter of the President. In 1968, just after Mr. Nixon had defeated Mr. Rockefeller decisively, Rockefeller supporter Kissinger is reported by Bernard Collier in the Boston Globe to have said, "That man Nixon is not fit to be President." Serving President Nixon with much zeal would appear to have required a great deal of flexibility from Kissinger.

In evaluating the worth of the above chronology, it might be useful to recall the statements in praise of Clark Mollenhoff made by two senators (Congressional Record, vol. 116, pt. 13, p. 17848):

Mr. CURTIS. I wish to add a word of praise to Clark Mollenhoff who has displayed honor, integrity, and great ability. I hope the time comes when he will again consent to serve in public office. As a reporter, he was diligent and a thorough investigator. He is fair and he is honest. . . .

Mr. WILLIAMS of Delaware. . . .the suggestion was made that there would be those in certain quarters who would be glad Mr. Mollenhoff was leaving this position because they feared him. I have known Clark Mollenhoff for a number of years. I will state that no man in America need have any fear of Mr. Mollenhoff unless—I emphasize unless—he had heretofore done—or had contemplated doing—something that was unethical as far as government is concerned. In that instance Clark Mollenhoff would be a most dangerous man to have in public office because he would expose such activities regardless of who or what political party would be involved.

You will recall that just over two years ago this Committee heard testimony from me to the effect that the Department of State personnel system was "sick and corrupt." This very Committee refused to confirm the Director of Personnel of the Department of State to an ambassadorial assignment at that time because of facts brought out in the hearing.

There is ample evidence to suggest that the man before you today also is not worthy of the trust that this high post demands.

Then, in addition to the personnel matters just discussed, there is the record of foreign policy; let's look at Dr. Kissinger's record in foreign policy.

A ROUND-UP OF DR. KISSINGER'S RECORD IN FOREIGN POLICY

For the last 25 years, i.e., ever since the end of WWII, when the United States emerged as a "super power" conscious of its international role in international affairs, the USSR has set certain goals for itself vis-a-vis the West.

For much of this time Soviet policy has been conducted within the framework of "peaceful coexistence." According to the Philosophical Encyclopedia (in Russian), III, 452–454, Peaceful coexistence is defined as:

"a specific form of class struggle between socialism and capitalism in the international arena . . . The policy of peaceful coexistence which is carried out by socialist countries represents a powerful factor hastening the global revolutionary process . . . Peaceful coexistence does not exclude revolutions in the form of armed uprisings and just national liberation wars against imperialist oppression which takes place within the framework of the capitalist system."

With regard to the United States and the west an eminent Soviet affairs expert summarized the goals of "peaceful coexistence" as follows:

(1) The Soviet Union has demanded that East Germany be recognized and given status equal to that of West Germany;

(2) Moscow has demanded talks to demilitarize or limit the military powers of the NATO military powers;

(3) The Soviets have demanded the removal of US forces from Europe;

(4) The Soviets have demanded of France the neutralization and expulsion of NATO from French territory;

(5) The Communists have demanded an American retreat from South-east Asia;

(6) Soviets have demanded a general program of reducing US military capacity and superiority; and

(7) The Soviets have demanded generous commercial credits and economic assistance from the west.

For years Moscow's ideologies have claimed that the accomplishment of these goals would be a tremendous victory for the peaceful coexistence doctrine of communism. And, in truth, today all of these goals appear to have been very nearly accomplished. Yet Dr. Kissinger and certain of the media who support his foreign policy present the achievement of these *Soviet* goals as "concessions", and US giving in to these long term Soviet goals is viewed as a US "victory".

We can not stand too many "victories" of the peaceful coexistence kind. Most of the above "victories" have been achieved during Dr. Kissinger's period of stewardship over U.S. Foreign Policy. For the last four years Dr. Kissinger has been Secretary of State in all but name.

In determining how he will cast his vote in the matter of the confirmation of Henry Kissinger, each senator need ask himself only one question: Is the policy we have seen for the past four years the policy of a Metternich, building up the strength and influence of his nation from that of a second rate power, or is this a policy of a Chamberlain or Baldwin converting his nation from a great power into one that is second rate.

We would do well to heed the warnings of Soviet Scientist Sakharov who specifically addressed the foreign policy being pursued by Henry Kissinger. Mr. Sakharov urged the West to make detente conditional on democratization of the Soviet system:

"Detente without democratization, a detente, when the West in fact accepts our (Soviet) rules of the game in this process, such a detente would be dangerous. It would not solve any of the world's problems and would mean a capitulation to our (Soviet) real or exaggerated strength. By liberating us (the U.S.S.R.) from problems we can't solve ourselves, we could concentrate on accumulating strength. And as a result the whole world would be disarmed and facing our uncontrollable bureaucratic apparatus." (Wash. Eve. Star-News, Aug. 22, 1973.)

Since Henry Kissinger will not heed Mr. Sakharov's level-headed warning, the Senate should.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. RHODES (at the request of Mr. GERALD R. FORD), for the period September 20 to 27, on account of official business.

Mr. ADAMS, for September 20, 1973, on account of business.

Mr. LUJAN (at the request of Mr. GERALD R. FORD), from September 10, on account of official business.

Mr. PEPPER, for Thursday, Septem-

ber 20, 1973, on account of official business in district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PICKLE, for 1 hour, on September 26.

(The following Members (at the request of Mr. O'BRIEN) and to revise and extend their remarks and include extraneous matter:)

Mr. KEMP, for 10 minutes, today.

Mr. BLACKBURN, for 20 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY) and to revise and extend their remarks and include extraneous matter:)

Mr. MELCHER, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. FLOOD, for 10 minutes, today.

Mr. FULTON, for 5 minutes, today.

Mr. FUQUA, for 10 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

Mr. RUNNELS, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ASHBROOK and to include extraneous matter notwithstanding the fact it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $627.

Mr. HANNA and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $522.50.

Mr. ROUSH and to include extraneous matter in two instances.

Mr. MALLARY, immediately following the vote on the veto today.

(The following Members (at the request of Mr. O'BRIEN) and to include extraneous matter:)

Mr. FREY.

Mr. TREEN in two instances.

Mr. YOUNG of South Carolina.

Mr. ZWACH.

Mr. CEDERBERG.

Mr. WYMAN.

Mr. SHRIVER in two instances.

Mr. ANDERSON of Illinois in two instances.

Mr. STEIGER of Wisconsin.

Mr. YOUNG of Florida in five instances.

Mrs. HOLT.

Mr. BIESTER.

Mr. BRAY in two instances.

Mr. BROYHILL of Virginia.

Mr. HASTINGS.

Mr. FINDLEY.

Mr. FISH.

Mr. MCCOLLISTER in three instances.

Mr. MCCLORY.

Mr. ASHBROOK in three instances.

Mr. BOB WILSON.

Mr. GERALD R. FORD.

(The following Members (at the request of Mr. MEZVINSKY) and to include extraneous material:)

Mr. CHARLES H. WILSON of California.

Mr. JOHNSON of California.

Mr. PATTEN.

Mr. DE LA GARZA in 10 instances.

Mr. STOKES.

Mr. OWENS in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. FLOOD.

Mr. PREYER.

Mrs. BURKE of California.

Mr. PICKLE.

Mr. SISK.

Mr. HÉBERT.

Mr. JONES of Tennessee.

Mr. WALDIE in two instances.

Mr. PEPPER in two instances.

Mr. HARRINGTON in four instances.

Mr. DE LUGO in two instances.

Mr. ANDERSON of California in four instances.

Mr. WILLIAM D. FORD.

Mr. ECKHARDT.

Mr. BIAGGI in five instances.

Mr. BRECKINRIDGE.

Mr. STAGGERS.

Mr. DAN DANIEL.

Mr. EDWARDS of California.

Mr. ADAMS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2419. An act to correct typographical and clerical errors in Public Law 93-86; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8070. An act to replace the Vocational Rehabilitation Act, to extend and revise the authorization of grants to States for vocational rehabilitation services, with special emphasis on services to those with the most severe handicaps, to expand special Federal responsibilities and research and training programs with respect to handicapped individuals, to establish special responsibilities in the Secretary of Health, Education, and Welfare for coordination of all programs with respect to handicapped individuals within the Department of Health, Education, and Welfare, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 155. An act for the relief of Rosita E. Hodas;

S. 776. An act to authorize the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco;

S. 902. An act to amend section 607(k)(8) of the Merchant Marine Act, 1936, as amended; and

S. 1352. An act to require loadlines on U.S. vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 8070. An act to replace the Vocational Rehabilitation Act, to extend and revise the authorization of grants to States for vocational rehabilitation services, with special emphasis on services to those with the most severe handicaps, to expand special Federal responsibilities and research and training programs with respect to handicapped individuals, to establish special responsibilities in the Secretary of Health, Education, and Welfare for coordination of all programs with respect to handicapped individuals within the Department of Health, Education, and Welfare, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p.m.) the House adjourned until tomorrow, Thursday, September 20, 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:

1355. A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend sections 3202 and 8202 of title 10, United States Code, to exclude certain Reserve officers from the authorized strengths of the Army and Air Force in officers on active duty in certain commissioned grades, and for other purposes; to the Committee on Armed Services.

1356. A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the selective continuation of certain regular commissioned officers on the active lists of the Army, Navy, Marine Corps, and Air Force upon recommendation of a selection board, and for other purposes; to the Committee on Armed Services.

1357. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report covering the last quarter of fiscal year 1973 on Federal contributions to States for civil defense equipment and facilities, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1358. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report covering fiscal year 1973 on Federal contributions to States for civil defense personnel and administrative expenses, pursuant to section 205 of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1359. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a corrected copy of the previously submitted annual report of the Bank for fiscal year 1973; to the Committee on Banking and Currency.

1360. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the addition of certain eastern national forest lands to the National Wilderness Preservation System, to amend section 3(b) of the Wilderness Act,

and for other purposes; to the Committee on Interior and Insular Affairs.

1361. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances; to the Committee on Interstate and Foreign Commerce.

1362. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, requesting the withdrawal of a previously transmitted case involving suspension of deportation under section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1363. A letter from the Adjutant General, Military Order of the Purple Heart, transmitting the report of the audit of financial statements of the Order for the fiscal year ended July 31, 1973, pursuant to section 14(b) of Public Law 85–761; to the Committee on the Judiciary.

1364. A letter from the Administrator of Veterans' Affairs, transmitting the report of an independent study of the operation of the post-Korean conflict program of educational assistance currently carried out under title 38 of the United States Code in comparison with similar programs that were available to veterans of World War II and of the Korean conflict, pursuant to section 41 of Public Law 92–540; to the Committee on Veterans' Affairs.

1365. A letter from the Secretary of Health, Education, and Welfare, transmitting the report of the Health Insurance Benefits Advisory Council on the results of its study of the methods of reimbursement for physicians' services under the medicare program, pursuant to section 224(b) of Public Law 92–603; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1366. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during August 1973, pursuant to 31 U.S.C. 1174; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POAGE: Committee on Agriculture. H.R. 9205. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts; with amendment (Rept. No. 93–518). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 10351. A bill to regulate commerce and conserve gasoline by improving motor vehicle fuel economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. COTTER, Mr. YATRON, Mr. ROSENTHAL, Mr. BROWN of California, Mr. BAFALIS, Mr. RODINO, Mr. DRINAN, Mr. DE LUGO, Mr. WALSH, Mr. RONCALLO of New York, Mr. WALDIE, Mr. HELSTOSKI, Mr. METCALFE, Mr. STOKES, Mr. EDWARDS of California, Mr. WILLIAM D. FORD, Mr. LEGGETT, Mr. HOGAN, Mr. WON PAT, Mr. LEHMAN, Mr. DANIELSON, Mr. CONYERS, Mr. ROE, and Mr. ROYBAL):

H.R. 10352. A bill to provide for a 7-percent increase in social security benefits beginning with benefits payable for the month of January 1974; to the Committee on Ways and Means.

By Mr. ASPIN:

H.R. 10353. A bill to amend title 13, United States Code, to eliminate the granting of preference on the basis of political affiliation or recommendation by any political organization in the hiring of temporary or part-time employees to carry out censuses, surveys, and other work of the Bureau of the Census; to the Committee on Post Office and Civil Service.

By Mr. CRONIN:

H.R. 10354. A bill to amend the Economic Stabilization Act of 1970 to adjust ceiling prices applicable to certain petroleum products and to permit retailers of such products to passthrough increased costs; to the Committee on Banking and Currency.

By Mr. DONOHUE:

H.R. 10355. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced fare transportation on a space-available basis for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN:

H.R. 10356. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives to improve the economics of recycling waste paper; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 10357. A bill to provide that energy-saving time shall be observed on a year-round basis; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. DIGGS, and Mr. ANDREWS of North Carolina):

H.R. 10358. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesia chrome and to restore the United States to its position as a law-abiding member of the international community; to the Committee on Foreign Affairs.

By Mr. FREY:

H.R. 10359. A bill to extend the period of continuing appropriations for the Federal Cuban refugee program; to the Committee on Appropriations.

By Mr. GAYDOS:

H.R. 10360. A bill to authorize the disposal of copper and zinc from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. GREEN of Pennsylvania:

H.R. 10361. A bill to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances; to the Committee on Post Office and Civil Service.

By Mr. GUDE:

H.R. 10362. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Ms. COLLINS of Illinois, Mr. GUDE, Mr. HECHLER of West Virginia, Ms. HECKLER of Massachusetts, Mr. ROE, Mr. RONCALIO of Wyoming, Mr. RYAN, and Mr. STARK):

H.R. 10363. A bill to amend section 102 of the National Security Act of 1947 to prohibit certain activities by the Central Intelligence Agency and to limit certain other activities by such Agency; to the Committee on Armed Services.

By Mr. HARVEY:

H.R. 10364. A bill to amend title 38, United States Code, to provide hospital and domiciliary care and medical treatment in Veterans' Administration facilities to former prisoners of war who are not veterans; to the Committee on Veterans' Affairs.

By Mr. HASTINGS (for himself, Mr. HORTON, Mr. FREY, Mr. SYMINGTON, and Mr. PREYER):

H.R. 10365. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances; to the Committee on Interstate and Foreign Commerce.

By Mr. HÉBERT (for himself, and Mr. BRAY) (by request):

H.R. 10366. A bill to amend title 10, United States Code, to remove the 4-year limitation on additional active duty that a nonregular officer of the Army or Air Force may be required to perform on completion of training at an educational institution; to the Committee on Armed Services.

H.R. 10367. A bill to amend section 269(d) of title 10, United States Code, to authorize the voluntary assignment of certain Reserve members who are entitled to retired or retainer pay to the Ready Reserve, and for other purposes; to the Committee on Armed Services.

H.R. 10368. A bill to amend chapter 73 (survivor benefit plan) of title 10, United States Code, to clarify provisions relating to annuities for dependent children and the duration of reductions when the spouse dies; to the Committee on Armed Services.

H.R. 10369. A bill to amend title 37, United States Code, to provide entitlement to round-trip transportation to the home port for a member of the uniformed services on permanent duty aboard a ship being inactivated away from home port whose dependents are residing at the home port; to the Committee on Armed Services.

H.R. 10370. A bill to amend title 37, United States Code, to refine the procedures for adjustments in military compensation and for other purposes; to the Committee on Armed Services.

By Mrs. HECKLER of Massachusetts:

H.R. 10371. 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 Banking and Currency.

By Mr. HOGAN:

H.R. 10372. A bill to facilitate fresh pursuit of criminals in the District of Columbia; to the Committee on the District of Columbia.

By Mrs. HOLT:

H.R. 10373. A bill to establish a national homestead program under which single-family dwellings owned by the Secretary of Housing and Urban Development may be conveyed at nominal cost to individuals and families who will occupy and rehabilitate them; to the Committee on Banking and Currency.

By Mr. JOHNSON of Pennsylvania:

H.R. 10374. A bill to establish a National Environmental Bank, to authorize the issuance of U.S. environmental savings bonds, and to establish an Environmental Trust Fund; to the Committee on Banking and Currency.

H.R. 10375. A bill to increase veterans education assistance rates by 10 percent; to the Committe on Veterans' Affairs.

By Mr. KETCHUM (for himself, Mr. ANDERSON of California, Mr. BURGENER, Mr. HICKS, Mr. JOHNSON of California, Mr. LEGGETT, Mr. MEEDS, Mr. RHODES, Mr. ROUSSELOT, Mr. TOWELL of Nevada, Mr. VAN DEERLIN, Mr. VEYSEY, Mr. DON H. CLAUSEN, Mr. MCCORMACK, and Mr. REES):

H.R. 10376. A bill to provide for the sale of crude oil from the naval petroleum reserve No. 1; to the Committee on Armed Services.

By Mr. KOCH:

H.R. 10377. A bill to provide that members of the Armed Forces may be separated or discharged from active service only by an honorable discharge, a general discharge, or discharge by court martial, and for other purposes; to the Committee on Armed Services.

By Mr. MACDONALD:

H.R. 10378. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 10379 A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 10380. A bill to amend section 303(b) of the Interstate Commerce Act to remove certain restrictions upon the application and scope of the exemption provided therein, and for other purposes; to the Committee on interstate and Foreign Commerce.

By Mr. REUSS:

H.R. 10381. A bill to amend the Federal Deposit Insurance Act and the Federal Reserve Act to require every bank insured under the Federal Insurance Act to maintain reserves against its deposits in the same manner and to the same extent as are member banks under the Federal Reserve Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHRIVER:

H.R. 10382. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. STUCKEY:

H.R. 10383. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. ROUSSELOT, and Mr. ASHBROOK):

H.R. 10384. A bill to repeal the Economics Stabilization Act of 1970; to the Committee on Banking and Currency.

By Mr. VANDER JAGT (for himself, Mr. BLACKBURN, and Mr. THONE):

H.R. 10385. A bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance the national attack on diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANDER JAGT:

H.R. 10386. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY:

H.R. 10387. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

By Mr. VEYSEY (for himself, Mr. VANDER JAGT, Mr. BOB WILSON, Mr. BEARD, Mr. GUDE, Mr. MILLER, and Mr. DUNCAN):

H.R. 10388. A bill to provide reduced retirement benefits for Members of Congress who remain in office after attaining 70 years of age; to the Committee on Post Office and Civil Service.

By Mr. WAGGONNER:

H.R. 10389. A bill to amend the Internal Revenue Code of 1954 to provide for a distribution deduction in the case of certain cemetery perpetual care fund trusts; to the Committee on Ways and Means.

By Mr. WALDIE:

H.R. 10390. A bill to provide that the special security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. WYATT:

H.R. 10391. A bill to amend the Economic Stabilization Act of 1970, to exempt stabilization of the price of gasoline at the retail level from coverage under the act; to the Committee on Banking and Currency.

By Mr. BROWN of California (for himself, Mr. MCCORMACK, and Mr. SYMINGTON):

H.R. 10392. A bill to amend the National Aeronautics and Space Act of 1958 to authorize and direct the National Aeronautics and Space Administration to conduct research and to develop ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Science and Astronautics.

By Mr. DE LA GARZA:

H.R. 10393. A bill to amend section 203 of the Economic Stabilization Act of 1970 relating to petroleum fuels; to the Committee on Banking and Currency.

By Mr. ECKHARDT (for himself, Mr. DINGELL, Mr. ASHLEY, Mr. MURPHY of New York, Mr. METCALFE, Mr. SARBANES, Mr. UDALL, Mr. BURTON, Mr. O'HARA, Ms. MINK, Mr. BUCHANAN, Mr. WON PAT, Mr. SEIBERLING, Mr. MCCLOSKEY, Mr. FORSYTHE, Mr. STEELMAN, Mr. MATSUNAGA, Mr. GIBBONS, Mr. CORMAN, Mr. PREYER, Mr. GONZALEZ, Ms. JORDAN, Ms. HOLTZMAN, Mr. MOSS, and Mr. HARRINGTON):

H.R. 10394. A bill to amend the act of August 3, 1968, relating to the Nation's estuaries and their natural resources, to establish a national policy with respect to the Nation's beach resources; to the Committee on Merchant Marine and Fisheries.

By Mr. ECKHARDT (for himself, Mr. PEPPER, Ms. ABZUG, Mr. BROWN of California, Mr. CARNEY of Ohio, Ms. CHISHOLM, Mr. CONYERS, Mr. DANIELSON, Mr. DE LUGO, Mr. EILBERG, Mr. FASCELL, Mr. FRENZEL, Mr. GUNTER, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. MANN, Mr. PODELL, Mr. REES, Mr. ROSENTHAL, Mr. ROYBAL, and Mr. CHARLES H. WILSON of Texas):

H.R. 10395. A bill to amend the act of August 3, 1968, relating to the Nation's estuaries and their natural resources, to establish a national policy with respect to the Nation's beach resources; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIAM D. FORD (for himself, Mr. O'HARA, and Mr. NEDZI):

H.R. 10396. 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. HOLIFIELD (for himself, Mr. HORTON, Mr. ROSENTHAL, Mr. WYDLER, Mr. FUQUA, Mr. MALLARY, Mr. EDWARDS of California, Mr. CORMAN, Mr. DANIELSON, Mr. STEELMAN, Mr. ROYBAL, Mr. RANGEL, Mr. CONTE, Mr. DON H. CLAUSEN, Mr. HINSHAW, Mr. WRIGHT, Mr. RAILSBACK, Mr. VANDER JAGT, Mr. GUDE, and Mr. BROWN of Ohio):

H.R. 10397. A bill to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes; to the Committee on Government Operations.

By Mr. EILBERG (for himself, Mr. BERGLAND, Mr. BIAGGI, Mr. CONYERS, Mr. DRINAN, Mr. FISHER, Mr. HELSTOSKI, Mr. KAZEN, Mr. MARTIN of North Carolina, Mr. MICHEL, Mrs. MINK, Mr. MORGAN, Mr. OWENS, Mr. MCCLORY, Mr. SYMINGTON, and Mr. WALDIE):

H.R. 10398. A bill to amend the Economic Stabilization Act of 1970 to adjust ceiling prices applicable to certain petroleum products and to permit retailers of such products to passthrough increased costs; to the Committee on Banking and Currency.

By Mrs. HECKLER of Massachusetts:

H.R. 10399. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 10400. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives to improve the economics of recycling waste paper; to the Committee on Ways and Means.

By Mr. NELSEN (for himself, Mr. STEELMAN, Mr. PETTIS, and Mr. SHOUP):

H.R. 10401. A bill, Emergency Medical Services Systems Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. OWENS:

H.R. 10402. A bill to amend the Taylor Grazing Act to provide compensation to the holders of grazing permits when such permits are canceled, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS:

H.R. 10403. A bill to amend the Public Health Service Act to provide for the protection of human subjects who participate in biomedical or behavioral research programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL:

H.R. 10404. A bill to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People, and for other purposes; to the Committee on Government Operations.

By Mr. SARASIN (for himself, Mr. BREAUX, Mrs. COLLINS of Illinois, Mr. GIAIMO, Mrs. GRASSO, Mr. HUDNUT, Mr. JOHNSON of Pennsylvania, Mr. MCKINNEY, Mr. NICHOLS, Mr. STEELE, Mr. STUDDS, Mr. WALSH, Mr. YATRON):

H.R. 10405. A bill to impose a 6-month embargo on the export of all nonferrous metals, including copper and zinc, from the United States; to the Committee on Banking and Currency.

By Mr. GERALD R. FORD:

H.J. Res. 734. Joint resolution to authorize and request the President to call a White House Conference on Library and Information Sciences in 1976; to the Committee on Education and Labor.

By Mr. HÉBERT (for himself and Mr. BRAY) (by request):

H.J. Res. 735. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy two citizens and subjects of the Empire of Iran; to the Committee on Armed Services.

By Mr. O'NEILL (for himself, Mr. GERALD R. FORD, Mr. MCFALL, Mr. ANDERSON of Illinois, Mr. PICKLE, Mr. STEPHENS, and Mr. PETTIS):

H.J. Res. 736. Joint resolution to provide for a feasibility study and to accept a gift from the U. S. Capitol Historical Society; to the Committee on Public Works.

By Mr. ROYBAL:

H.J. Res. 737. Joint resolution to designate

the third week in April of each year as "National Coin Week"; to the Committee on the Judiciary.

By Mrs. COLLINS of Illinois (for herself, Mr. ANNUNZIO, Mr. KLUCZYNSKI, Mr. METCALFE, Mr. MURPHY of Illinois, Mr. ROSTENKOWSKI, and Mr. YATES):

H. Con. Res. 303. Concurrent resolution expressing the sense of Congress concerning the administration of a provision of the Federal Water Pollution Control Act; to the Committee on Public Works.

By Mr. FISH:

H. Res. 551. Resolution creating the Select Committee on the Cost and Availability of Food; to the Committee on Rules.

By Mr. HARRINGTON (for himself, Mr. BROWN of California, Ms. CHISHOLM, Ms. COLLINS of Illinois, Mr. EILBERG, Mr. HECHLER of West Virginia, Ms. HECKLER of Massachusetts, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. ROE, Mr. RONCALIO of Wyoming, Mr. RYAN, Ms. SCHROEDER, Mr. SEIBERLING, and Mr. STARK):

H. Res. 552. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on the Central Intelligence Agency, and for other purposes; to the Committee on Rules.

By Miss JORDAN:

H. Res. 553. Resolution providing for the creation of congressional senior citizen internship; to the Committee on House Administration.

By Mr. HARRINGTON (for himself, Mr. MOAKLEY, Ms. ABZUG, Mr. BROWN of California, and Mr. DRINAN):

H. Res. 554. Resolution to investigate the involvement, if any, of the U.S. Government in the overthrow of the Allende government in Chile; to the Committee on Rules.

By Ms. HECKLER of Massachusetts:

H. Res. 555. Resolution creating a Select Committee on Privacy; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McKINNEY:

H.R. 10406. A bill for the relief of Fillimana Colonaino; to the Committee on the Judiciary.

By Mr. VEYSEY:

H.R. 10407. A bill for the relief of Terry J. Kirkland, Thomas R. Rogers, Robert W. Lay, and Robert K. Bell; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 10408. A bill for the relief of L. B. & L. Logging Co.; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 10409. A bill for the relief of Bill Ray Co.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

283. The SPEAKER presented a petition of the Board of Chosen Freeholders, Union County, N.J., relative to financial assistance to disaster victims; to the Committee on Banking and Currency.

SENATE—*Wednesday, September 19, 1973*

The Senate met at 9:15 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our hope is in Thee, for Thou art our Creator, Redeemer, and Judge. Make us thankful for all Thy mercies, humble under Thy corrections, fearful to offend Thee. Work in our hearts a true faith, a pure love, an unfailing trust in Thee, zeal in Thy service and reverence in all that relates to Thee. May our passion for men proliferate more than our weapons, and may the power of love overcome all evil forces. May we labor with quiet confidence until our tasks are completed. Then grant us the accolade "Well done, good and faithful servant." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 19, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, September 18, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRESERVING GRIZZLY BEARS

Mr. MANSFIELD. Mr. President, I ask unanimous consent, in view of the importance of the question involved, to have printed in the RECORD a commentary by Mr. Lewis Regenstein which appeared in the Washington Post of September 11, 1973, under the title "Preserving Grizzly Bears," and a letter addressed to the chief of the editorial page of the Washington Post by Nathaniel P. Reed, Assistant Secretary of the Interior, under date of September 12.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRESERVING GRIZZLY BEARS

(By Lewis Regenstein)

For centuries, the grizzly bear was the dominant animal of the West. But hunting, trapping, and government "management" programs are steadily pushing it to extinction.

The grizzly is North America's largest and most awesome land mammal—nearly 1,200 pounds of muscle, claws, and teeth, with gargantuan strength, lightning quick reflexes, and an insatiable appetite. When standing on its haunches, a full-grown grizzly may attain a height of eight to 10 feet. It is capable of sprinting at 30 miles per hour, and can kill a bull moose with one blow of its mighty paw.

Probably the strongest land mammal in North America, the grizzly is a highly intelligent animal as well, ranking near the chimpanzee on intelligence tests. Although the bear's high degree of intelligence has not been widely recognized, its ferocity has, and it has unjustly gained the reputation as an aggressive, dangerous animal.

Few if any, animals have been subjected to as cruel, intense, and unjustified persecution as the grizzly. Fully 16 different species and subspecies of grizzly have been slaughtered into extinction.

It was the invention of high-powered rifles that marked the beginning of the end for the grizzly. Steel traps—which often maimed or crippled the bears—and poisons were later added to help finish off the species. From 1937 to 1972, the U.S. Department of Interior claims credit for having shot, trapped or poisoned about 25,000 bears, a significant percentage of which were surely grizzlies.

At the present time, the outlook for the grizzly is bleak indeed. The Interior Department estimates that there are no more than 700-1,000 grizzlies left in the entire lower 48 states: about 10 each in Idaho and Washington: "a few" in Colorado; 300 in Wyoming; and 375–700 in Montana. Thus, in little more than 100 years, the white man has reduced the grizzly population from about 1.5 million to probably less than 800.

Until recently, the largest concentration of grizzly bears remaining in the United States was found in the ecosystem of Yellowstone Park. Although ostensibly protected there, the grizzly population of Yellowstone is seriously threatened by an extermination campaign (euphemistically called a "management" plan) being carried out by Interior's National Park Service (NPS).

The situation in Yellowstone is particularly tragic, since this is the last large refuge of the grizzly in the United States. In an effort to remove grizzlies from the garbage dumps at which they have become accustomed to feeding for almost 100 years, NPS—in a plan supported by Assistant Interior Secretary Nathaniel Reed—precipitously closed down the dumps, instead of gradually phasing them out and luring the bears into remote areas. This not only disoriented the bears and threatened many with starvation, but also presented a danger to campers in the Park.

The bears that continue to frequent campsites and populated areas of the Park are shot by rangers. As a result, the death rate of the Yellowstone grizzlies in 1970–71 was double the birth rate, with 91 bears dying, more