

For the House therefore to say that it really cannot intervene "because the matter is in the courts" is a staggering cop-out of double-talk. After all, the fact that the matter is indeed "in the courts" is Agnew's whole point. He is appealing to the House to acquit him or to impeach—that is, to indict—him because in his view the courts could not lawfully do the one and, given its whole attitude, the Department of Justice is hell-bent to do the other.

Thus the whole effect of the cop-out of the House is to leave this wretched, this divisive, this traumatic business hanging over this nation for many, many months if not for years. Court appeal will follow appeal will fol-

low appeal . . . The House on the other hand could clear the whole thing up in a maximum of six weeks if it had the mind to do so.

Moreover, indictment or no indictment Agnew is simply not going to resign. He is in a high-noon, a shoot-out-at-OK-corral mood. So what good can "leaving it to the grand jury" do anyhow, even assuming that the grand jury isn't sooner or later stopped cold by the higher courts? Why, the case will come right back to the House—where it ought to be right now.

Carl Albert is an able and fair man whom I have known and respected (and still do) for many years. One can only suppose that here he let himself be over-persuaded by overly-partisan Democratic associates. Old Speaker

Sam Rayburn, on those very rare occasions when he believed elementary justice and the indispensable national welfare were involved, asked neither Democratic colleagues nor the House itself what to do. He told them. And they did it.

One hopes that Albert will return to the Rayburn tradition before this sad crisis has run its course. The question is not whether Spiro Agnew is a bad man or a good man. One question, however, is whether the Department of Justice is showing how "tough" and "independent" it can be, perhaps in order to sanctify the extremely poor job it did in the Watergate scandal.

Be he guilty or not, there is a strong "get-Agnew" aroma around Washington.

## HOUSE OF REPRESENTATIVES—Tuesday, October 2, 1973

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

*Give us this day our daily bread.*—Matthew 6: 11.

In the revival of a centuries-old tradition in which man has paused each autumn to give thanks for his harvest, we lift our hearts unto Thee, our Father God, in gratitude for the fruit of the soil, for the reaping of grain, and for the daily bread which nourishes our bodies and our spirits. Help us to realize anew our dependence upon the soil, the sun, and the rain, upon the skill of the farmer and, above all, upon Thy bountiful grace. "Back of the loaf is the snowy flour, back of the flour the mill, and back of the mill is the field, the wheat, the sun, the shower, and the Father's will."

May we turn our voices of thanksgiving into the virtues of thanksgiving. With understanding and compassion, help us to share the results of our labor with those who are in need. Through our giving and our sharing on this international day of bread, may new hope come to the distressed, new faith to those who doubt, new light to those who sit in darkness, and new life to those who are depressed. By Thy spirit, may we make our contribution of human sympathy to human need, transcending the boundaries of color, creed, and country.

In the spirit of Him who said, "Give and it shall be given unto you," we pray. Amen.

### THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 719. Joint resolution to extend the authority of the Secretary of Housing and

Urban Development with respect to the insurance of loans and mortgages, to extend authorizations under laws relating to housing and urban development, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 160. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits, and for other purposes.

### PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

### MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY, RETIRED

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army, retired.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### ROBERT J. BEAS

The Clerk called the bill (H.R. 3544) for the relief of Robert J. Beas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### ALVIN V. BURT, JR., EILEEN WALLACE KENNEDY POPE, AND DAVID DOUGLAS KENNEDY, A MINOR

The Clerk called the bill (H.R. 6624) for the relief of Alvin V. Burt, Jr., and the estate of Douglas E. Kennedy, deceased.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

### RESOLUTION TO REFER BILL FOR THE RELIEF OF ESTELLE M. FASS TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

The Clerk called the resolution (H.R. 362) to refer the bill (H.R. 7209)

entitled "A bill for the relief of Estelle M. Fass," to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

#### J. B. RIDDLE

The Clerk called the bill (H.R. 1376) for the relief of J. B. Riddle.

There being no objection, the Clerk read the bill as follows:

H.R. 1376

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to J. B. Riddle of Fort Worth, Texas, the sum of \$4,800 in full settlement of all his claims against the United States arising out of the displacement and relocation of his business in 1967 in connection with a federally assisted construction project. The said J. B. Riddle is ineligible for relocation payments under the Advance Acquisition of Land Program of the Department of Housing and Urban Development as a result of his reliance on certain misinformation he received from the city of Fort Worth, Texas.*

Sec. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6: Strike "\$4,800" and insert "\$5,500".

The committee amendment was agreed to.

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

#### HAROLD C. AND VERA L. ADLER, DOING BUSINESS AS THE ADLER CONSTRUCTION CO.

The Clerk called the Senate bill (S. 396) for the relief of Harold C. and Vera L. Adler, doing business as the Adler Construction Co.

There being no objection, the Clerk read the Senate bill as follows:

S. 396

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in accordance with the opinion, findings of fact, and conclusions of the trial commissioner in United States Court of Claims Congressional Reference Case Numbered 5-70, entitled "Adler Construction Company against The United States," filed October 24, 1972, the Secretary of the Treasury, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Adler Construction Company of Littleton, Colorado, the sum of \$300,000, in full satis-*

faction of all claims by such company against the United States for compensation for losses sustained by such company in connection with a contract between such company and the Department of the Interior, Bureau of Reclamation, providing for certain work on the Pactola Dam project near Rapid City, South Dakota.

(b) No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

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

The title was amended so as to read: "For the relief of Harold C. and Vera L. Adler, doing business as the Adler Construction Co."

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to withdraw the committee amendment to the title of the bill.

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

There was no objection.

A motion to reconsider was laid on the table.

#### MRS. NAOYO CAMPBELL

The Clerk called the Senate bill (S. 84) for the relief of Mrs. Naoyo Campbell.

There being no objection, the Clerk read the Senate bill as follows:

S. 84

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mrs. Naoyo Campbell, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act shall not be applicable in this case.*

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

#### KUAY TEN CHANG (KUAY HONG CHANG)

The Clerk called the Senate bill (S. 89) for the relief of Kuay Ten Chang (Kuay Hong Chang).

There being no objection, the Clerk read the Senate bill as follows:

S. 89

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kuay Ten Chang (Kuay Hong Chang) shall be held and considered to be within the purview of section 203(a)(2) of that Act and the provisions of section 204 of that Act shall not be applicable in this case.*

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

#### MANUELA C. BONITO

The Clerk called the Senate bill (S. 278) for the relief of Manuela C. Bonito.

There being no objection, the Clerk read the Senate bill as follows:

S. 278

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Manuela C. Bonito shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.*

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Manuela Bonito Martin shall be held and considered to be the natural-born alien daughter of Richard Allen Martin, a citizen of the United States: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

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

The title was amended so as to read: "For the relief of Manuela Bonito Martin."

A motion to reconsider was laid on the table.

#### RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

#### EMILIA MAJOWICZ

The Clerk called the bill (H.R. 1463) for the relief of Emilia Majowicz.

There being no objection, the Clerk read the bill as follows:

H.R. 1463

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Emilia Majowicz shall be held and considered to be the natural-born alien daughter of Mr. and Mrs. Henry J. Burek, citizens of the United States: *Provided*, That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.*

With the following committee amendments:

On page 1, line 7, after the words "natural parents" insert the following "or brothers or sisters".

On page 1, line 8, strike out the word "parentage" and insert in lieu thereof the word "relationship".

The committee amendments were agreed to.

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

#### ROSA INES TOAPANTA

The Clerk called the bill (H.R. 1955) for the relief of Rosa Ines Toapanta.

There being no objection, the Clerk read the bill as follows:

H.R. 1955

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Rosa Ines Toapanta may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Lois R. D'Elia and Stephen J. D'Elia, citizens of the United States, pursuant to section 204 of the Act: Provided, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.*

With the following committee amendments:

On page 1, line 4, strike out the name "Rosa Ines Toapanta" and insert in lieu thereof the name "Rosa Ines D'Elia".

On page 2, beginning on line 1, after the word "Act," strike out the remainder of the bill and insert in lieu thereof the following: "Sections 204(c) and 245(c) of the Immigration and Nationality Act shall be inapplicable in this case."

The committee amendments were agreed to.

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

The title was amended so as to read: "For the relief of Rosa Ines D'Elia".

A motion to reconsider was laid on the table.

#### TOY LOUIE LIN HEONG

The Clerk called the bill (H.R. 1353) for the relief of Toy Louie Lin Heong.

There being no objection, the Clerk read the bill as follows:

H.R. 1353

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(31) of the Immigration and Nationality Act, Toy Louis Lin Heong may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.*

With the following committee amendment:

On page 1, lines 4 and 5, strike out the name "Toy Louis Lin Heong" and insert in lieu thereof the following name: "Toy Louie Lin Heong".

The committee amendment was agreed to.

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

#### LUIGI SANTANIELLO

The Clerk called the bill (H.R. 1466) for the relief of Luigi Santaniello.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

#### MRS. GAVINA A. PALACAY

The Clerk called the bill (H.R. 2514) for the relief of Mrs. Gavina A. Palacay.

There being no objection, the Clerk read the bill as follows:

H.R. 2514

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Gavina A. Palacay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.*

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Mrs. Gavina A. Palacay, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act shall not be applicable in this case."

The committee amendment was agreed to.

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

#### ANKA KOSANOVIC

The Clerk called the bill (H.R. 2628) for the relief of Anka Kosanovic.

There being no objection, the Clerk read the bill as follows:

H.R. 2628

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(3) of the Immigration and Nationality Act, Anka Kosanovic may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible*

under the provisions of that Act: *Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: Provided further, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.*

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

#### LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

MRS. NGUONG THI TRAN (FORMERLY NGUYEN THI NGUONG, A13707-473D/3).

There being no objection, the Clerk read the bill as follows:

H.R. 3043

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Nguong Thi Tran (formerly Nguyen Thi Nguong, A13707-473D/3) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.*

With the following committee amendment:

Beginning on page 1, line 8, after the words "visa fee," strike out the remainder of the bill.

The committee amendment was agreed to.

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

#### MRS. ENID R. POPE

The Clerk called the bill (H.R. 3207) for the relief of Mrs. Enid R. Pope.

There being no objection, the Clerk read the bill as follows:

H.R. 3207

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Enid R. Pope shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such*

alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

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

#### BOULOS STEPHAN

The Clerk called the bill (H.R. 4438) for the relief of Boulos Stephan.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

#### JOSE ANTONIO TRIAS

The Clerk called the bill (H.R. 6829) for the relief of Mr. Jose Antonio Trias.

There being no objection, the Clerk read the bill, as follows:

H.R. 6829

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mr. Jose Antonio Trias shall be held and considered to have complied with the provisions of section 316 of that Act as they relate to residence and physical presence.*

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

#### ANN E. SHEPHERD

The Clerk called the bill (H.R. 1356) for the relief of Ann E. Shepherd.

There being no objection, the Clerk read the bill, as follows:

H.R. 1356

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ann E. Shepherd shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.*

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Ann E. Shepherd shall be held and considered to have been a returning resident alien at the time of her admission to the United States on June 10, 1972."

The committee amendment was agreed to.

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

#### BERTHA ALICIA SIERRA

The Clerk called the bill (H.R. 1367) for the relief of Bertha Alicia Sierra.

There being no objection, the Clerk read the bill, as follows:

H.R. 1367

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Bertha Alicia Sierra shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: Provided, That any fee received by any agent or attorney on account of services rendered in connection with this Act shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum exceeding \$1,000.*

With the following committee amendment:

Beginning on page 1, line 7, after the words "of the required visa" strike out the remainder of the bill and insert in lieu thereof the following: "fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965."

The committee amendment was agreed to.

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

#### SUN HWA KOO KIM

The Clerk called the bill (H.R. 1696) for the relief of Sun Hwa Koo Kim.

There being no objection, the Clerk read the bill, as follows:

H.R. 1696

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sun Hwa Koo Kim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available: Provided, That any fee received by any agent or attorney on account of services rendered relating to the introduction of this bill shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*

With the following committee amendment:

Beginning on page 1, line 10, after the word "proper" strike out the remainder of the bill and insert in lieu thereof the following: "officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act."

The committee amendment was agreed to.

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

#### JOSE CARLOS RECALDE MARTORELLA

The Clerk called the bill (H.R. 2513) for the relief of Jose Carlos Recalde Martorella.

There being no objection, the Clerk read the bill, as follows:

H.R. 2513

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jose Carlos Recalde Martorella shall be held and considered to have been lawfully admitted to the United States for permanent residence as the date of the enactment of this Act.*

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Jose Carlos Recalde Martorella shall be held and considered to have been a returning resident alien at the time of his admission to the United States on December 23, 1970."

The committee amendment was agreed to.

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

#### MRS. BRUNA TURNI AND MISS GRAZIELLA TURNI

The Clerk called the bill (H.R. 3754) for the relief of Mrs. Bruna Turni and Miss Graziella Turni.

There being no objection, the Clerk read the bill, as follows:

H.R. 3754

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Bruna Turni and Miss Graziella Turni shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct two numbers from the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.*

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Mrs. Bruna Turni, Graziella Turni and Antonello Turni shall be deemed to have a priority date of August 15, 1969, on the fifth preference foreign state limitation for Italy."

The committee amendment was agreed to.

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

The title was amended so as to read: For the relief of Mrs. Bruna Turni, Graziella Turni, and Antonello Turni."

A motion to reconsider was laid on the table.

#### MARIA LOURDES RIOS

The Clerk called the bill (H.R. 3334) for the relief of Maria Lourdes Rios.

There being no objection, the Clerk read the bill, as follows:

H.R. 3334

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Maria Lourdes Rios shall be held and considered to have been unlawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: Provided, That any fee received by any agent or attorney on account of services rendered relating to the introduction of this bill shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.*

With the following committee amendment:

Beginning on page 1, line 7, after the words "of the required visa" strike out the remainder of the bill and insert in lieu thereof the following: "fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965."

The committee amendment was agreed to.

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

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

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

There was no objection.

#### EXTENDING CERTAIN PRIVILEGES AND IMMUNITIES TO THE ORGANIZATION OF AFRICAN UNITY

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8219) to amend the International Organization Immunities Act to authorize the Presi-

dent to extend certain privileges and immunities to the Organization of African Unity, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

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

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the committee chairman to explain the details of this legislation.

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

Mr. SCHNEEBELI. I yield to the distinguished gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I thank the gentleman for yielding, and I will be happy to explain the bill.

Mr. Speaker, the purpose of the pending bill, as reported to the House by the Committee on Ways and Means, is to provide the President with authority to extend to the Organization of African Unity and its office, officials, and employees in the United States those privileges and immunities specified in the International Organizations Immunities Act.

Under the bill, at the discretion of the President the Organization of African Unity—OAU—may be designated by the President as an international organization for purposes of the International Organizations Immunities Act. Upon such a designation the organization, to the extent so provided by the President, will be exempt from customs duties on property imported for the activities in which it engages, from income taxes, from withholding taxes on wages, and from excise taxes on services and facilities. In addition, the employees of the international organization, to the extent not nationals of the United States, may not be subject to U.S. income tax on the income they receive from OAU. OAU is an organization composed of 41-member states, representing all the independent African nations—except the Republic of South Africa—and acts to further the goals of political and economic development of Africa. It presently has a mission in New York.

For purposes of the International Organization Immunities Act, under which international organizations may enjoy the extraterritorial privileges generally granted to foreign governments, an organization Immunities Act, under which the United States participates and which has been designated by the President, through an appropriate Executive order, as being entitled to the privileges and immunities in question. The United States is not a member of the OAU and, therefore, the organization presently cannot qualify under the act. H.R. 8219 would provide the President with authority to extend to the OAU privileges and immunities under the act.

In transmitting this legislation to the Congress, the State Department stated that its enactment "would be consistent with important foreign policy interests of the U.S. Government." The bill was reported unanimously by the Committee

on Ways and Means, and I urge its favorable consideration by the House.

Mr. SCHNEEBELI. Mr. Speaker, I rise in support of H.R. 8219 which amends the International Organization Immunities Act to authorize the President to extend certain privileges and immunities to the Organization of African Unity.

This measure, which was requested by the administration, would allow the President to grant to the Organization of African Unity Mission in New York, its officers, and employees, the same privileges, exemptions, and immunities extended to most other international organizations and their officers and employees located in the United States.

Among the privileges and immunities included are the capacity to contract, acquire, and dispose of real and personal property; the immunity from suit and other judicial process for themselves, their property and assets equivalent to that enjoyed by foreign governments and the duty free importation of baggage and effects for alien officers and employees upon their arrival. In addition, the International Organization Immunities Act extends an exemption from Federal income tax of income of international organizations such as the Organization of African Unity as well as the salaries of their alien employees and the employees of foreign governments represented in the Organization. It should be noted that all of the employees of the Organization of African Unity are nationals of African countries.

The Committee on Ways and Means was informed by the Department of State that this legislation is a result of the administration's desire to develop a closer working relationship with the Organization of African Unity and to be responsive to the Organization of African Unity's requests for some form of official acknowledgement of the status of its New York mission. This mission serves as the secretariat to the African group at the United Nations and acts as a liaison with the U.N. on issues relating to Africa.

Although the United States is not a member of the Organization of African Unity, the administration feels that the enactment of the proposed bill is consistent with important foreign policy interests of the United States.

The committee is convinced that this legislation will be helpful to the President in the exercise of his foreign policy responsibilities and unanimously voted to report it to the House. I urge its approval.

Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, does the gentleman from Oregon think that this will in any way result in any further cost to this country?

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

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

Mr. ULLMAN. I will say to my good friend, the gentleman from Iowa, that the cost would be almost totally negligible. As I understand it, there are only six such persons in the United States

representing this organization, and these exclusions are so nominal that there would be a negligible cost.

Mr. GROSS. The gentleman does not think, then, that in the future—and he has reason to assure the House—that we are not going to get stuck for a bill to maintain this organization since we give them certain immunities and privileges. I say that because we have a bill before us to be considered today or tomorrow that will cost this Government more than \$2 billion as a minimum, to take care of the devaluation of the dollar. The gentleman does not think we are getting involved in another one of these enterprises does he, to do good in this country or somewhere else?

Mr. ULLMAN. If the gentleman will yield further, I will give the gentleman full assurance that anything authorized under this bill will not lead to that result. This is a negligible cost.

Mr. GROSS. I thank the gentleman. Mr. Speaker, I withdraw my reservation of objection.

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

Mr. RARICK. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Oregon if it is not true that there are 41 nations that are members of the OAU?

Mr. ULLMAN. That is true, as I indicated.

Mr. RARICK. And is it not correct that each of these African nations does at the present time have a delegation representing them diplomatically at the United Nations?

Mr. ULLMAN. Mr. Speaker, if the gentleman will yield, that is my understanding.

Mr. RARICK. I would further ask the gentleman if it is not correct that probably all or the overwhelming majority of these nations also have diplomatic relations with the U.S. Government?

Mr. ULLMAN. That is probably correct.

Mr. RARICK. And is it true that the United States is not a member of the OAU at this time?

Mr. ULLMAN. That is correct, as I so indicated.

Mr. RARICK. Then is it reasonable to assume that the only purpose for this OAU mission in the United States at New York City would be for the purpose of lobbying, probably against us here in our Congress or others in our Government?

Mr. ULLMAN. I could not agree with the gentleman. This is an organization that is well respected in international circles and one that to the best of my knowledge represents very honorable and legitimate purposes here in the United States. These purposes are set forth in the report on the bill.

Mr. RARICK. Mr. Speaker, inasmuch as each of these nations does have diplomatic delegations with diplomatic immunity at the U.N. and the majority of the nations maintain diplomatic relations with our country, I respectfully object.

The SPEAKER. Objection is heard.

#### DUTY EXEMPTIONS FOR CERTAIN FOREIGN REPAIRS MADE TO VESSELS OWNED BY OR OPERATED FOR THE UNITED STATES

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, which was unanimously reported to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

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

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to ask the gentleman if he will explain this legislation.

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

Mr. SCHNEEBELI. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, the purpose of the pending bill as reported to the House by the Committee on Ways and Means is to exempt from duty certain foreign equipment and repairs for vessels operated by or for any agency of the United States where entry was made in connection with vessels arriving before January 5, 1971—the effective date of Public Law 91-654.

Prior to enactment of Public Law 91-654, section 3114 of the Revised Statutes of the United States imposed a 50-percent duty on foreign equipment purchased for and foreign repairs made to vessels documented under the laws of the United States. Remission of the tariff under certain circumstances was provided for in section 3115 of the Revised Statutes. Public Law 91-654 amended section 466 of the Tariff Act of 1930 and exempted vessels designed and used primarily for purposes other than transporting passengers or property from payment of the duty on foreign repairs and purchases made after the first 6 months of a voyage of 2 years or more. In providing this exemption, the act reenacted the substances of sections 3114 and 3115 of the Revised Statutes in section 466 of the Tariff Act of 1930 and repealed those sections of the Revised Statutes with respect to entries made in connection with the arrival of vessels on or after the date of enactment of the act.

The duty on certain repairs made in foreign ports to American-flag vessels owned by or operated for the United States was suspended by Public Law 78-200 for the period December 17, 1943, to December 17, 1945. During World War II, the War Shipping Administration had over 3,000 vessels in operation through general agents to furnish logistics to the Armed Forces. During the Korean war and the Vietnam war, the Maritime Administration of the Department of Commerce operated vessels through general agents for the same purposes. Many of these vessels were re-

paired abroad and substantial costs were incurred by both the paying agency and the Bureau of Customs in the administration of sections 3114 and 3115 of the Revised Statutes. In fact, substantial duties were incurred which still remain unpaid.

These duties are the obligation of the U.S. Government agency which operated the vessels or for whose account the vessels were operated. When the duty on the foreign repairs of such vessels is assessed and actually paid, it merely is a transfer of funds from one agency to another.

H.R. 8217 would provide that the requirements of sections 3114 and 3115 of the Revised Statutes with respect to the duty imposed on equipment purchased for and repairs made to U.S. vessels in foreign countries shall not apply to entries made in connection with arrivals before January 5, 1971, on vessels owned by, or bareboat chartered to, the United States and operated by or for the account of any department or agency of the United States. Further, the bill provides that no agency shall be entitled to a refund for any duties already paid, and from January 5, 1971, all entries of these vessels will be assessed the appropriate duty on foreign repairs.

Mr. Speaker, the Department of Commerce fully supports enactment of this legislation, and no objection to it has been received by the Committee on Ways and Means from any other interested source. The bill has been reported unanimously by the committee, and I urge its favorable consideration by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 8217, which would exempt from duty certain foreign equipment and repairs of vessels operated by or for agencies of the United States, where the entries were made in connection with vessels arriving before January 5, 1971.

Before the 91st Congress enacted Public Law 91-654, section 3114 of the Revised Statutes of the United States imposed a 50-percent duty on foreign equipment purchased for, and foreign repairs made to, vessels which were documented under U.S. laws. Remission of that tariff under certain circumstances was provided for in section 3115 of the Revised Statutes.

Public Law 91-654, which amended section 466 of the Tariff Act of 1930, exempted from duty foreign equipment and repairs purchased by certain special purpose vessels after the first 6 months on voyages lasting 2 years or longer. But in the process, the substances of sections 3114 and 3115 of the Revised Statutes, in section 466 of the 1930 Tariff Act, were reenacted. And those sections of the Revised Statutes with respect to entries made in connection with the arrival of vessels on or after the date of enactment, January 5, 1971, were repealed.

In considering H.R. 8217, the committee was reminded that during the Korean and Vietnam conflicts, U.S. agencies operated vessels through general agents to furnish support to the Armed Forces. Many of these vessels were repaired abroad over the years, and substantial costs were involved, by both the paying agency and the Bureau of Customs, in

the administration of section 3114 of the Revised Statutes with respect to these vessels. Duties were incurred which remain unpaid, and these duties are the obligation of the U.S. Government agency which operated the vessels or for whose account the vessels were operated.

The agencies involved have agreed, along with the General Accounting Office, that payment of these duty obligations would serve no useful purpose inasmuch as the funds would merely be transferred from one agency to another.

Therefore, the committee provided in the bill before us that the requirements of sections 3114 and 3115 of the Revised Statutes, with respect to the duty imposed on foreign-bought equipment and repairs for these vessels, would not apply to entries made in connection with arrivals before January 5, 1971. The bill also provides that no department or agency would be entitled to a refund of such duties paid prior to January 5, 1971.

Mr. Speaker, no objection to H.R. 8217 was registered before the committee, which unanimously approved it.

Mr. Speaker, I withdraw my reservation of objection and I thank the gentleman for his explanation.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 8217

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 3114 and 3115 of the Revised Statutes of the United States (19 U.S.C. 257 and 258) shall not apply to entries made in connection with arrivals before January 5, 1971, of vessels owned by the United States, or bareboat chartered to the United States, and operated by or for the account of any department or agency of the United States.*

Sec. 2. On or after the date of the enactment of this Act, no department or agency of the United States shall be entitled to a refund of any duties paid before January 5, 1971, by any department or agency of the United States under section 3114 of the Revised Statutes of the United States.

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

#### MAKING IN ORDER CONSIDERATION ON THURSDAY OF THE PAR VALUE MODIFICATION APPROPRIATION BILL

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday to bring up the par value modification appropriation bill, which is an outgrowth of the legislation which mandates our maintaining par value of these international financial institutions.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, what would be the conditions of debate?

Mr. MAHON. We would ask for a minimum of 1½ hours and we would

then take it up in the Committee of the Whole.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

#### PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM THURSDAY, OCTOBER 4, 1973, TO TUESDAY, OCTOBER 9, 1973

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 321) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 321

*Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, October 4, 1973, it stand adjourned until 12 o'clock meridian, Tuesday, October 9, 1973.*

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

#### THE CASE OF THE GOLDSHTEIN BROTHERS

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

Mr. ROSENTHAL. Mr. Speaker, emigration from the Soviet Union is not free.

Yet, in 1966 the Soviet Union signed the Universal Declaration of the Rights of Man, which affirmed the principle of free emigration.

Since 1971, the Goldshtain brothers, brilliant physicists from Tbilisi in the Georgian S.S.R., have applied for and been denied emigration visas.

Grigory and Isai Goldshtain have long been active in the struggle for free emigration. In 1973 they took part in a Moscow hunger strike. When they returned home they found that their apartments had been searched and papers seized.

In June 1973, preparations were underway to prosecute the Goldshtains on criminal charges for "defaming the Soviet Social System." The trial preparations were "suspended," but they may be reactivated. Is it a crime to speak out for human freedom? The brothers say, "no," and they continue their appeals and their peaceful protests.

Loss of jobs, threats, arrests and detention have not silenced these freedom fighters. Congress must help the Goldshtain brothers by passing the Mills-Vanik amendment.

#### PERSONAL EXPLANATION

Mr. HENDERSON. Mr. Speaker, on rollcall 481, the amendment offered by the gentleman from New Jersey (Mr. RODINO) which was offered September

26, I was in the Chamber, placed my card in the box, but was not recorded.

Had I been recorded, I would have been shown as voting "nay."

#### POSITION OF MR. JAMES V. STANTON ON DISTRICT OF COLUMBIA HOME RULE

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

Mr. JAMES V. STANTON. Mr. Speaker, I am—and always have been—an advocate of home rule for the District of Columbia. To anyone who has ever asked me my position on this issue, I have replied that being president of the city council in Cleveland convinced me that no city can be run properly or effectively except by the people who live in it, because it is they alone who fully understand the city's problems. Now, against this background, I was astonished and outraged to learn yesterday that my name was being bandied about by the Delegate from the District of Columbia, the chairman of the District of Columbia Committee as being among those on whom the Democratic party should bring pressure to vote for home rule. I resent having false information about me spread around by these persons. I do not know where they got their erroneous information, but they never bothered to ask me what my views are. Furthermore, they ought to know better than to think that, on any question at all that comes before this body, I am going to be persuaded by a clumsy political plot to vote one way or the other.

I will vote for home rule as I have always intended to—because I believe in it. But not because the delegate or chairman or anyone else threatens me, subtly or otherwise. As a matter of fact, the tactics employed by them might possibly boomerang and defeat home rule, because the tactics might prove counterproductive with respect to certain Members of this body who are not as firmly committed as I am, one way or another, on this proposition. If there be such Members, I ask them to consider the issue alone and to ignore personalities, such as that of the delegate and chairman.

#### NATIONAL FAMILY WEEK

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the joint resolution (H.J. Res. 550) authorizing the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week," and ask for immediate consideration of the joint resolution.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

Mr. HECHLER of West Virginia. Mr. Speaker, reserving the right to object, I

believe this House and the entire Congress wastes too much time considering resolutions such as this. I would just like to ask for some concrete information from my friend from California as to just what he proposes to accomplish through a resolution such as this. There are many meaningless resolutions on which the Congress wastes a lot of time. Congress should be concentrating its time on more important priorities facing the Nation. We pass a resolution for "National Clean Water Week," and I wonder if this means that all the other 51 weeks are to be national dirty and polluted water weeks. If my good friend from California can tell me what will come from the pending resolution, I will be glad to know.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, in answer to the question of the gentleman from West Virginia, this type of resolution has been enacted by both the House of Representatives and the other body since their inception. They are traditional.

The gentleman suggests that they waste quite a lot of time. I would answer the gentleman by saying that they take practically no time whatsoever; maybe at the most, 2 or 3 minutes every 2 weeks. They take no committee time.

There is no cost in connection with any of these bills. No appropriation is ever involved. I think it is the general feeling of the Members that as long as the privilege is not abused, that the custom should continue. The House Judiciary Committee has worked out a number of strict rules on these bills—that there shall be no taint of commercialism; that there shall be no political implications; and that none of the bills shall be controversial.

Mr. HECHLER of West Virginia. Mr. Speaker, further reserving the right to object, is it correct that out of the gentleman's committee passed by Congress is a resolution to set up, "National Check Your Vehicle Emission Month?"

It interested me to learn that after the House and Senate passed that resolution, then it took a high-paid White House employee to write a presidential proclamation, in which President Nixon stated:

I call upon all Americans to recognize the need for curbing exhaust pollutants from their motor vehicles by maintaining them in good working order.

I just wonder if National Check Your Vehicle Emission Month did indeed emerge as a resolution from the gentleman's committee?

Mr. EDWARDS of California. I believe that bill did pass both the House and the Senate last year and was signed by the President.

Mr. HECHLER of West Virginia. Can the gentleman from California furnish me with any concrete value that came from such a resolution?

Mr. EDWARDS of California. The author of the bill was the gentleman from Texas (Mr. ECKHARDT), who extended his remarks in the record on the day of the passage of that particular bill. I do not

recall his exact words. I do know, after due consideration the subcommittee approved the bill, and the committee felt the case was well made for that particular day. I would refer the gentleman from West Virginia to the record.

Mr. HECHLER of West Virginia. Further reserving the right to object, Mr. Speaker, I notice that National Small Business Week has been honored either by act of Congress or by simple proclamation by the President. Does this indicate the other 51 weeks are big business weeks? One could conclude so from the rapid growth of big business and monopoly.

Mr. EDWARDS of California. I believe the gentleman should check the record. I do not believe we have enacted a Small Business Week.

Mr. HECHLER of West Virginia. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

DESIGNATING WEEK OF NOVEMBER 3 THROUGH 10, 1973, AS "NATIONAL HIGH BLOOD PRESSURE WEEK"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the joint resolution (H.J. Res. 712) to designate the week of November 3 through 10, 1973, as "National High Blood Pressure Week," and ask for immediate consideration of the joint resolution.

The Clerk read the title of the joint resolution.

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

Mr. ROGERS. Mr. Speaker, reserving the right to object, I shall not object for I shall strongly support this joint resolution.

I believe we should realize there are some 23 million Americans who are the victims of high blood pressure, which leads to hypertension, probably the foremost cause of heart attacks and strokes in this Nation.

The fact is that we can now do something about it, if people are aware of it and will go to see their doctors. I believe this is a very easy way to bring attention to what can be done in regard to this health factor, without any cost of money to anyone, simply trying to get people to be cognizant of the matter, to have their examinations made and to take necessary action.

I strongly support the joint resolution, and I commend the committee.

Mr. Speaker, I withdraw my reservation.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, what is the week that is to be designated as "High Blood Pressure Week"?

Mr. EDWARDS of California. The week of November 3 through 10, 1973.

Mr. GROSS. Will the House be in session that week?

Mr. EDWARDS of California. Probably so. I believe so.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation.

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

Mr. HECHLER of West Virginia. Mr. Speaker, reserving the right to object, I intend to object to all these resolutions from now on. I do not believe the House of Representatives should be wasting its time on these resolutions, and fiddling while Rome burns. Although some people have even proposed National Fiddle Week, I am pleased the Congress has not yet gone that far. Yet there are vital national problems which the Congress should be tackling instead of these meaningless resolutions.

With due deference to my good friend from Florida, I fail to see that National Clean Water Week has resulted in any direct action toward cleaning up the Nation's waters. I fail to see that National Next Door Neighbor Day has resulted in any specific examples of improvement in neighborliness. Also, in apartment houses, this resolution discriminates against those who live on floors above or below.

These resolutions are a terrible waste of time when the Congress and the Nation face the kinds of problems all Americans face. I commend my good friend from Florida, a true pioneer in all matters relating to health, for his noble efforts. Yet I feel that the problem should be attacked directly rather than through a hopeful resolution.

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

Mr. HECHLER of West Virginia. I am glad to yield to the gentleman from Florida, on my reservation.

Mr. ROGERS. I would hope the gentleman in this instance would withhold his objection and make it a policy for those coming up later. I would hope he would not object to this joint resolution. It does affect the health of 23 million Americans.

It even affects those with black lung, who also have this disease. I know of the gentleman's concern about them. All of us have tried to do something in that regard.

I hope the gentleman will not tunnel-vision his concern only to black lung, but that he will also be concerned about other diseases. This is something which can have some effect. It may not help everyone, but I know the gentleman has enough concern for anyone we could alert, even if it is three people, to make the passage of this resolution worthwhile. I would hope the gentleman would not object to this joint resolution, but would withhold his objection until a future time, letting his policy be known.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. Yes, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, does the gentleman know whether or not this very week has been designated for a particular cause or purpose under a resolution of this nature?

Mr. HECHLER of West Virginia. Mr.

Speaker, I happen to know, I will say to my friend from Michigan, that during the current week, the first week in October, fall the birthdays of Presidents Chester Alan Arthur and Rutherford Birchard Hayes, but I do not know whether they have been designated as "weeks." "American Education Week" comes within the first 2 weeks in November, I believe. Does the gentleman have any information on that point?

Mr. BROWN of Michigan. No.

Mr. Speaker, will the gentleman yield further?

Mr. HECHLER of West Virginia. I yield further to my friend from Michigan.

Mr. BROWN of Michigan. No, I have no information. I was just wondering to what extent these weeks really are recognized, because I am not sure resolutions of this nature have the effect many of the speakers have attributed to them.

Mr. CARTER. Mr. Speaker, will the gentleman from West Virginia yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I, too, will ask the gentleman to withhold his objection in this particular instance.

There is no doubt but that some of these days and weeks perhaps are facetiously named, and without purpose, but this has a great purpose for people throughout our country, that is, to recognize this week and have their blood pressure checked. I believe it is an extremely good idea.

Mr. Speaker, we have had another week, a Diabetes Week, which has been extremely helpful in finding diabetics throughout our country.

In deference to preservation of health, I would hope that my colleague would not object to the unanimous consent request.

Mr. CONABLE. Mr. Speaker, will the gentleman yield to me?

Mr. HECHLER of West Virginia. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to ask the gentleman if he knows if this week would set a precedent so that we would have it every year at this time.

The reason I am asking is that I happen to notice that it coincides with election time, and I hope there is no implication about a connection between election and high blood pressure for the American public.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California, my good friend for whom I have the highest respect.

Mr. EDWARDS of California. Mr. Speaker, I am sure the gentleman understands that that is not the case. This is a serious resolution. All of these resolutions are serious.

The Judiciary Subcommittee charged with responsibility for these bills would never report one for a frivolous reason. They all have to do with issues of broad national concern, such as a major health problem or an important historical event.

Should Congress discontinue these bills, not only would many Members be disappointed but organizations throughout the country engaging in totally unselfish activities would also be disappointed.

Mr. CONABLE. Mr. Speaker, will the gentleman yield further?

Mr. HECHLER of West Virginia. I yield further to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, how does it happen that this particular time has been picked?

Are these weeks picked in some particular way, or is there some agency which is used as a clearinghouse in picking these weeks?

Mr. EDWARDS of California. Mr. Speaker, these bills are introduced and the subcommittee considers them.

There is no pattern. They are only considered on a yearly basis.

Since I have been chairman of the subcommittee handling these activities we have enacted only one bill establishing a permanent day, and that is Father's Day. No bill is passed for more than one particular year.

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

Mr. HECHLER of West Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, it is not original with me, but it has been suggested that perhaps we ought to consider next year—and it might well be passed now—a resolution providing a "Reelect our Congressman Week" for the first week of November 1974.

Mr. HECHLER of West Virginia. Mr. Speaker, the Congress ought to tackle more important problems directly instead of passing silly resolutions. The problems of the Nation are causing high blood pressure. Because this resolution raises my own blood pressure, I object.

The SPEAKER. Objection is heard.

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CONFERENCE REPORT ON S. 795, NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES AMENDMENTS, 1973

Mr. BRADEMAS. Mr. Speaker, I call up the conference report on the bill (S. 795) to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may I inquire of the gentleman if he plans to make a statement in order to explain the conference report and perhaps answer a few questions?

Mr. BRADEMAS. Mr. Speaker, I would be very glad to yield to my friend, the gentleman from Iowa, for that purpose.

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

The SPEAKER. Is there objection to

the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 27, 1973.)

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

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

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I rise in support of the conference report on S. 795, a bill to extend the National Foundation on the Arts and Humanities Act for 3 years.

I should, at the outset, commend the distinguished chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. PERKINS), the distinguished ranking minority member of the committee, the gentleman from Minnesota (Mr. QUIE), the gentleman from Washington (Mr. MEEDS), the gentlelady from Hawaii (Mrs. MINK), the gentleman from Pennsylvania (Mr. ESHLEMAN), as well as the gentleman from Idaho (Mr. HANSEN) for their outstanding efforts in developing this measure and carefully defending the House position in the conference.

I would also like to take this opportunity to express appreciation to the gentleman from New Jersey (Mr. THOMPSON) the original sponsor of the legislation to establish the National Endowment for the Arts and the Humanities, and an untiring supporter of our efforts to strengthen the programs the legislation provides.

Mr. Speaker, the National Foundation on the Arts and Humanities Act was enacted in 1965 by Public Law 89-209 and was, thereafter, amended in 1967 and 1970.

The 1965 legislation created the Foundation as well as its two cooperative operating entities, the National Endowment for the Arts and the National Endowment for the Humanities.

Since 1966, Mr. Speaker, funds appropriated under this act increased from \$5,034,308 to the \$76.2 million appropriated for fiscal year 1973, divided equally between the arts and the humanities endowments.

Witness after witness before the Select Subcommittee on Education, which I have the honor to chair, spoke of the wise management that has characterized the two endowments. And I should in this respect, Mr. Speaker, pay particular tribute to Nancy Hanks and Ronald Berman who chair, respectively, the National Endowment for the Arts and the National Endowment for the Humanities.

PROVISIONS OF THE CONFERENCE REPORT

Mr. Speaker, the conference report before us today will break new ground for

both the arts and the humanities endowments.

I should mention, briefly, to my colleagues the following provisions:

Increased authorizations;

New State arts allotments and matching requirements;

Regional programing; and

Grantmaking authority of the endowment chairmen.

#### FUNDING AUTHORIZED

With respect to the authorizations provided in the conference report, Mr. Speaker, S. 795 would authorize to be appropriated \$145 million for fiscal year 1974, and sets ceilings of \$200 million for fiscal 1975 and \$252 million for 1976.

The \$145 million provided for 1974, Mr. Speaker, is exactly the administration's budget request.

The funding levels for the 2 succeeding years also represent responsible and prudent increments, which will be, in the opinion of the conferees, necessary for the maintenance and growth of the programs of the two endowments.

#### CURRENT BUDGET INADEQUATE

Mr. Speaker, as I explained to my colleagues on June 13, when the House first considered this legislation to extend the National Foundation on the Arts and Humanities Act, the increased authorizations we are providing are surely modest when we consider the great value of these programs and the many unmet needs in this area.

Just in the arts endowment, for example, if the artists-in-schools program, which presently reaches 2,700 elementary and secondary schools, were to be expanded to the 90,000 schools in our land, the cost would exceed \$75 million.

Similar gaps between the arts endowment's accomplishments and the great needs can be seen in other areas.

Touring professional theater companies, for example, were able last year to visit only 27 of the 20,000 communities with populations below 50,000 people.

The expansion arts program can fund only 10 percent of the requests it receives from programs to serve the residents of inner cities and rural areas.

A similar situation exists with respect to the humanities endowment, which is experiencing a growth in the number of applications at better than 33 percent annually.

In fiscal year 1972, for example, the humanities endowment received 4,500 grant requests and was able to fund only 1,100 of them, in spite of the fact that many of the rejected applications were of substantial scholarly merit.

So I just want to stress for my colleagues, Mr. Speaker, that the funding provided in the conference report is not at all exorbitant, and that both endowments can make good use of these funds.

#### STATE ARTS ALLOTMENTS

Mr. Speaker, the conference report also includes provisions to increase the minimum allotment to the State arts agencies from the existing \$65,000 to \$200,000.

The State arts agencies, mandated by the original 1965 legislation, have greatly encouraged arts programs within State borders, and I believe I speak for most of my fellow conferees when I say that in

our views these agencies are now fully capable of wisely utilizing increased funds.

What we have done, Mr. Speaker, is to guarantee that at least 20 percent of all arts appropriations be used for State and regional programs. Of that set-aside, Mr. Speaker, 75 percent is to be allocated to the States on an equal basis, and the remainder is to be awarded to State arts councils and regional arts programs by the National Arts Endowment on a competitive basis.

Finally, with respect to the arts allotments, Mr. Speaker, I should point out that at the chairman's discretion, any part of a State's allotment which exceeds \$125,000, but which is not more than 20 percent of the States total allotment, can be exempted from the 50 percent matching requirement. In other words, Mr. Speaker, the States may, with the approval of the Chairman of the National Arts Endowment, fund some programs at 100 percent. The conferees adopted these provisions in the belief that some new arts programs might not be able to get successfully underway without full funding.

#### AMERICAN FILM INSTITUTE

Mr. Speaker, I want to note that a precedent for the waiving of the matching requirement already exists with regard to the American Film Institute which receives substantial funding from the National Arts Endowment.

Since the endowment has always had the right to waive the matching requirements in unusual cases, the endowment has done so in the case of the AFI because the institute was, not a private entity seeking Federal funds, but, indeed, a creation of the endowment.

I refer, Mr. Speaker, to the fact that the AFI is the only Presidentially mandated activity carried out under the auspices of the National Endowment for the Arts.

Said President Lyndon Baines Johnson when signing the original 1965 legislation:

We will create an American Film Institute, bringing together leading artists of the film industry, outstanding educators, and young men and women who wish to pursue this 20th century art form as their life's work.

Because of the unique status of the American Film Institute, therefore, the endowment has, quite rightly, contributed somewhat more than one-half of the AFI's total budget.

While greatly increased efforts on the part of the AFI to raise larger sums from private sources can be anticipated—the institute's capable director, George Stevens, Jr., is to be applauded for his past successes in these endeavors—the institute's programs will require primary funding from the Endowment itself.

#### REGIONAL PROGRAMING

Mr. Speaker, let me turn my attention briefly to the provisions in the conference report authorizing regional arts programing.

I have said that 25 percent of the set-aside for the State arts programs can be used for regional programing.

The conferees took this action, Mr. Speaker, as a result of the testimony in

both the House and the other body that regional programs, especially in sparsely populated States, would make both the performing and creative arts available to a far wider audience than is presently the case.

Speaking for myself, Mr. Speaker, I anticipate an enormous growth in arts activities in the smaller States as a result of these provisions.

#### CHAIRMAN'S GRANTS

Finally, Mr. Speaker, the conference report authorizes the Chairman of the Arts Endowment, and the Chairman of the Humanities Endowment, to make grants for up to \$17,500 on their own authority without submitting the applications to the appropriate council.

I should point out that existing legislation permits the Chairmen to make grants of up to \$10,000, and this bill as it originally passed the House on June 14 raised that limit to \$20,000.

So I believe the figure of \$17,500 will be acceptable to the Members of the House, particularly since we do stipulate that no more than 10 percent of the total appropriations can be used for these grants.

#### CONCLUSIONS

Mr. Speaker, as I think of what this legislation can mean to the people of our land, I recall an editorial from the June 25 edition of the Elkhart Truth, which is published in Elkhart in my own Third District of Indiana.

Said the editorial:

It's obvious that the Federal aid is no substitute for the broad base of support and patronage so vital at the state and local levels. That is not intended. Rather, the aid program can inspire and stimulate the fine arts projects we have. It can help encourage new ideas in this field.

Perhaps most significant, the program signifies that fine arts have the approval and encouragement of this government of, by and for the people.

The editorial follows:

[From the Elkhart (Ind.) Truth, June 25, 1973]

#### ELKHART, STATE BENEFIT FROM FINE ARTS AID

The year 1973 may be remembered in history as marking a major advance in public appreciation and support of the fine arts.

This can happen as a consequence of measures approved both in Congress and in the Indiana General Assembly.

The U.S. House voted 309-63 recently for a bill sponsored by Rep. John Brademas, D-3rd Dist., Ind., authorizing continued federal support of the arts and humanities through 1976. President Nixon was on record favoring the measure.

The \$145 million authorized for fiscal '74 represents an 80 per cent high from the previous year. The Senate passed a similar bill calling for slightly more.

A compromise measure, signed by the President, and resulting appropriation are anticipated soon.

Thanks also to action by the 1973 Indiana General Assembly, our State will be able to take ample advantage of this assistance.

The legislature recently tripled the state appropriation for the Indiana Arts Council, for matching of federal money.

The state council has allocated the following sums to Elkhart fine arts projects for the next fiscal year: Elkhart community schools, about \$4,500 for repertory theater; Michiana Ballet Company, about \$2,500; Elkhart Symphony, about \$2,000; Elkhart Concert Club, slightly more than \$1,000.

Before this year, some of this federal arts aid did find its way to the Third District including Elkhart County. But it was less than we might have had, since the legislature had appropriated too few matching state funds.

What's really impressive about this whole picture now is the broad base of support. The Arts and Humanities program first was established by President Lyndon Johnson. But this legislation has been backed consistently by every presidential administration starting with Dwight Eisenhower's.

The National Foundation on the Arts and Humanities is, in fact, one of the few non-defense agencies to be recommended by the Nixon administration for sizeable increase in '74 spending.

All 50 states now have these arts councils to promote and advance appreciation of and participation in the fine arts.

It's obvious that the federal aid is no substitute for the broad base of support and patronage so vital at the state and local levels. That is not intended. Rather, the aid program can inspire and stimulate the fine arts projects we have. It can help encourage new ideas in this field.

Perhaps most significant, the program signifies that fine arts have the approval and encouragement of this government of, by and for the people.

Mr. Speaker, our acceptance of this conference report will indicate that the 93d Congress, of, by, and for the people, does support the creative and scholarly pursuits of the arts and humanities endowments.

Let us act decisively. I urge my colleagues to join with me to overwhelmingly approve the conference report.

Mr. BRADEMAS. Mr. Speaker, I had promised to yield, and I shall yield to the gentleman from Iowa, however, before that I wish first to yield 3 minutes to the distinguished chairman of our committee, the gentleman from Kentucky (Mr. PERKINS), who has given such strong support to this bill.

Mr. PERKINS. Mr. Speaker, through the years the programs carried on by the National Foundation on the Arts and Humanities have grown in number and significance. From the small beginning in 1965—with a total authorization of \$10 million—the foundation has advanced to a point today where a total of \$110 million is being expended on a multitude of diverse and important programs and activities.

This progress is due in large part to the great and continuing work of the present chairman of our Select Subcommittee on Education, JOHN BRADEMAS and of the former chairman our colleague, FRANK

THOMPSON. Through their efforts, we have before us today a conference report which I believe every Member of the House can support.

Substantial contributions were made also by the majority members of the select subcommittee to this bill. Mr. Speaker, this bill is very much a bipartisan effort. Congratulations are also in order for the distinguished ranking minority member, Mr. QUIE, and minority members of the select subcommittee.

Mr. Speaker, I am particularly pleased with a number of provisions in the conference report. In my judgment, it is important that we make sure that there is an equitable distribution of support by the foundation and that States and localities in greatest need throughout the country share fully in the benefits of this program.

To this end, Mr. Speaker, the conference report retains a House provision which will guarantee that the State art programs will grow at a healthy rate—commensurate with the growth in the national program.

While there is not a formula distribution of funds for programs carried on by State humanities agencies, the conference report includes a Senate provision which insures State humanities councils a greater role in the implementation of the humanities program. I believe our next step legislatively should be to provide for a formula allocation to State humanities agencies.

Finally, Mr. Speaker—and most importantly—in line with our desires to insure equity in this program and to reach those persons and areas which are in greatest need, the conference report retains a Senate provision modifying existing law as to emphasize the support of programs and projects in the arts in areas where citizens do not have access to such programs for geographical and economic reasons.

I would point out to my colleagues that the authorizations in the conference report are substantially less than those in the Senate bill. The conference report retains the House authorizations for fiscal year 1974. For fiscal year 1975 a total of \$200,000,000 is authorized, as compared with a Senate proposed authorization of \$300,000,000. In fiscal year 1976, a total of \$252,000,000 is authorized in the conference report, as compared with \$400,000,000 contained in the Senate bill.

Mr. Speaker, I urge adoption of the conference report.

Mr. BRADEMAS. Mr. Speaker, I will now reserve the remainder of my time, but I wish to advise my friend and colleague, the gentleman from Iowa (Mr. Gross) that I shall be glad to yield to the gentleman for any questions the gentleman may have.

Mr. QUIE. Mr. Speaker, I yield myself 10 minutes

Mr. Speaker, first I would like to say to the gentleman from Iowa (Mr. Gross) that if the gentleman needs additional time that I think both the gentleman from Indiana and I will be willing to yield to the gentleman such time as he may require.

Mr. Speaker, I have had this chart prepared, and I would like to use the chart for what I am going to try to tell the Members today.

First, before I do so, Mr. Speaker, I want to say that I support the conference report, and that I urge my colleagues to vote in favor of it.

When this conference report was agreed on I had some reservations about signing the conference report. I spent a lot of time talking to people down town about it, and finding that the administration supports the conference report and supports the figures, and find that it is acceptable to them for us to place the figures in for 1975 and 1976 at the level of \$200 million and \$252 million. I worked hard, as the Members know, and the majority voted that way, for a \$145 million authorization for 1974. At that time I believed that we should have "such sums" for 1975 and 1976 in order that we would not overpromise to the people of this country. However, the conference in its wisdom decided to set specific figures.

What I want to point out today is the problem that I find in this legislation, and that is promising much more than we can produce. As we look down through that chart, we see the authorization for each year and the appropriation, and then the difference. The people out there who expected to receive Federal funds for the arts and humanities looked at what we did in passing the authorization figure, and then we came along and appropriated a sum that was substantially less.

It is interesting—and I point this out—that it is not the administration's fault when the appropriations are less than the authorization figure in this program:

#### NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

#### BUDGET REQUEST, AUTHORIZATION, AND APPROPRIATION, FISCAL YEARS 1966-74

Fiscal year	Budget request	Percent budget to authorization	Authorization figure	Appropriation figure	Difference, authorization versus appropriation	Percent appropriation to authorization	Fiscal year	Budget request	Percent budget to authorization	Authorization figure	Appropriation figure	Difference, authorization versus appropriation	Percent appropriation to authorization
1966	\$17,100,000	100	\$17,250,000	\$5,034,308	\$12,215,692	29	1972	\$60,000,000	100	\$60,000,000	\$57,750,000	\$2,250,000	96
1967	17,750,000	88	20,000,000	10,071,970	9,928,030	50	1973	78,000,000	97	80,000,000	76,200,000	3,800,000	95
1968	19,750,000	100	20,000,000	10,999,548	9,000,452	55	1974	145,000,000	100	145,000,000	111,775,000	33,225,000	77
1969	23,100,000	100	22,750,000	12,719,348	10,030,652	55	1975	200,000,000	—	200,000,000	—	—	—
1970	17,000,000	68	24,750,000	16,300,000	8,450,000	66	1976	252,000,000	—	252,000,000	—	—	—
1971	32,600,000	82	40,000,000	28,650,000	11,350,000	71							

Note: Includes definite and matching program funds (excludes administrative funds and gifts).

In 1966 the administration budgeted 100 percent for the authorization; in 1967, 88 percent; in 1968, 100 percent; in 1969, 100 percent; in 1970, 68 percent; in 1971, 82 percent; in 1972, 100 percent; in 1973, 97 percent; and in 1974, of course, 100 percent.

In every case the budget request was also substantially higher or a little bit higher than the appropriation. In 2 years we got close to the authorization. Those years were 1972 and 1973.

It really bothers me that by a majority vote we agreed to \$145 million for 1974 and then turned around with the appropriations—which have already passed, by the way—of \$112 million. Let me point out right here we are talking about the authorization program, not administrative expenses. The appropriations all the way down through there do not include administrative expenses. That is the way of the budget down there. But that gives the Members an idea. We appropriated \$33 million less this year. We promised when the bill went through the House that we would allocate \$145 million in fiscal 1974. The Senate promised \$160 million when their bill went through. We agreed in conference to \$145 million, which the administration agrees to.

We are pretending to be something that we are not in this Congress. Let me point out that I looked the word "hypocrisy" up, as Webster defines it. It means pretender, one who pretends to be what he is not, one who falsely assumes a position of virtue. I want to say right here I am not pointing my finger at anyone, because I signed the conference report. I voted, if I remember correctly, for all of those authorizations. If I did not, I have forgotten, but, as I recall, I voted for all of those authorizations, so I am as guilty as anyone else in this Congress.

But I think this Congress as a body is guilty of hypocrisy, of pretending to be something that it is not. To be hypocritic is to be, according to Webster, a dissembler, to be false, to be specious in our arguments.

I think these words fit us. We are guilty of playing a part, I think, in a deceptive, virtuous role, of pretending virtue we do not possess, and we hold ourselves out to be a great benefactor, promising largess we cannot deliver. I am really tired of doing this, and urge my fellow Members to make future authorizing legislation more compatible with possible appropriations.

I should like to quote the ancient poet, Homer, who defined a hypocrite as "he that hides one thing in his heart and utters another."

This is what we did by saying we authorized \$145 million and yet appropriated \$112 million. We have done that in too many other programs as well where we have authorizations way above what we appropriate. We should not be promising authorizations of \$200 million in 1975 and \$252 million in 1976.

Thomas Fuller, an English scholar said:

A hypocrite is in himself both the archer and the mark, in all actions shooting at his own praise or profit.

We are certainly shooting at our own praise by the voters and profit at the election polls when we make extravagant promises found in these authorization bills—not in this bill alone but in many others that emerge from our committee.

We should be spending more for education, and additional sums for other worthwhile social programs, but we cannot find them in the Federal budget at this time. And we are, I think, less than honest when we pretend that we can somehow extract that money from the air.

The deficit is a fact of life; the money has to be taken from somewhere to fund these social programs. And until Congress is willing to face up to its responsibility, get its budget in balance and set its own priorities in determining how the money should be spent, I protest our promising what we cannot deliver.

When we authorize additional billions for social programs which are not in the budget and which will not be appropriated, we set the stage for the interest groups to harass the Appropriations Committee, a committee, I might add, which is already assailed by others with similar claims for additional billions for equally worthy programs, such as the environment, medical services, aid to the elderly, and so on.

I think Shakespeare described the likes of us as: "Those who daub both sides of a wall."

That describes Congress, I think. And to me it means that we are daubing one side of the wall for those of our constituents who applaud the additional millions we are authorizing for 1975 and 1976. We become shining knights like Don Quixote, doing battle for the right of our people to enjoy the fuller cultural life.

But then we come along and daub the other side of the wall with lowered appropriations. But they do not blame us on the committee. The public knows our hearts are "pure"—did we not tilt the windmill over in higher authorizations for the arts and humanities?

I think there is one way we can begin to correct this duplicity and that is by adopting the recommendations of the Ullman committee. The Rules Committee has the recommendations right now. I think the Congress can then correct itself in the beginning of the year by determining what our priorities are, and if we go through that budgeting exercise then we can honestly tell the people what they can expect from this Congress. That is the direction we have to go.

I point this out again, that we cannot blame somebody else. We cannot blame the administration. As I said earlier, they asked for more. But sometimes we ask for more in the Congress. So it is a mixed bag. But in the Congress it is for us to put our house in order, and before we adjourn this session we should take the recommendations of the Ullman committee, fashion them to fit our needs, and then honestly tell the American people how much we are going to authorize and then appropriate, and we should try to keep them as close as possible.

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

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. RUTH. Mr. Speaker, I am glad to see my colleague so concerned about hypocrisy. I wonder if the same hypocrisy prevails when we spend the people's money they do not have in the Treasury.

Mr. QUIE. I think in that case it is a deficit and it is like one's wife spending more money than he has or one's husband spending more money than she has if she is doing the working, and then he or she has to go out and borrow the money. We are not borrowing the money. In that case we borrowed the money, but we did not promise what we did not deliver.

Mr. RUTH. Is the gentleman really pleased with his explanation?

Mr. QUIE. I surely am.

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

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

Mr. SCHERLE. Mr. Speaker, will my colleague tell me to his knowledge do we have any program that has spiraled to the extent this one has in such a short period of time, from \$5 million in 1966 to \$160 million?

Mr. QUIE. It is \$112 million since 1974.

Mr. SCHERLE. In that short period of time is there any program, the benefits for veterans, or the aged, or for the disabled, any organization?

Mr. QUIE. I would say the feeding programs have done some of the same thing.

Mr. SCHERLE. Which programs?

Mr. QUIE. The feeding programs, such as food stamps have really expanded like everything.

That is not the question, because the gentleman from Iowa and I differ on this, but I favor these increases. I think they are right and I hope Congress will pass them and I urge the Congress to do so, but what I am criticizing is our continual propensity for authorizing higher than the figure we then appropriate. When we vote on them both, we cannot be right both times, and the majority votes both times.

Mr. SCHERLE. I am in sympathy with that argument. However I think the gentleman mentioned a moment ago that we should get our fiscal house in order as far as authorizations and appropriations. I agree, but at the same time I think we ought to get the taxpayers' house in order a little bit and not make such a fantastic outrageous appropriation as this increase in the past 5 years. I think it is reprehensible.

Mr. QUIE. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I am willing to take a chance with the arts and humanities in relation to evaluation under the Ullman recommendations to set its priority.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I have been moved by my colleague's remarks, but not very much, and I make that response for several reasons. In the first place, as I listened to the gentleman bewail hypocrisy, I was a little bit startled because I come back to what the gentleman said at the outset of his remarks; namely, that he supported the confer-

ence report. He signed it, as he made clear.

But the gentleman's criticism of the gap between authorization and appropriation does not, in all candor, seem to me to be a very well taken one, because what the gentleman is really complaining about is the nature of our legislative process. Now, the fact of the matter is that in our constitutional system, the President may make a judgment as to what he thinks ought to be spent for a particular program. That is his proper prerogative; that is his duty.

The Committee on Education and Labor, the Committee on Banking and Currency, the Committee on Agriculture, the Committee on Armed Services—all of the authorizing committees have, under our American legislative system, a responsibility to make a judgment as to what ought to be expended on the programs within their several jurisdictions. That is their prerogative; that is their duty.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. QUIE. Mr. Speaker, I yield myself 1 additional minute, and yield to the gentleman from Indiana.

Mr. BRADEMAS. And, to continue, Mr. Speaker, the Appropriations Committee has a responsibility under our system for utilizing its best judgment on what should be spent for public programs. That is their prerogative; that is their duty.

Now, Mr. Speaker, what I have just described is called democracy. It is messy; it is complicated, and I share with the gentleman the hope that we can develop some more rational way of going about making these judgments in both the executive and legislative branches. In that, I totally agree with him, but I would strongly reject the epithet "hypocrisy" because, in effect, he is complaining about the nature of the American legislative system.

Moreover, Mr. Speaker, my friend from Minnesota also said that we had even set the stage for interest groups to harass the Appropriations Committee.

But, Mr. Speaker, I always thought that Members of Congress got elected, in part, to be harassed. It is the nature of our responsibility as elected representatives to be petitioned. That, too, is called democracy.

I wish to make two other points, Mr. Speaker. I share with the gentleman from Minnesota his concern about the enormous gap between what is promised and what is performed, but, if he is really concerned about this gap—and I know he is—we ought to look at where the big money is, where the real gap between promise and performance is. He knows as well as I that the Pentagon spills enough money coming over the 14th Street bridge in an hour to make up for all the programs we are talking about here today over a period of some years.

My final point, Mr. Speaker, as I look at the gentleman's own chart, is there is really not a great gap between authorizations and appropriations and has not been in recent years. The gentleman him-

self acknowledges that in 1972 and 1973, respectively, the appropriations figures came very near to being 100 percent of the authorization and, indeed, the latest figure may prove to be, although I do not know if the appropriations bill has been signed yet, close to 80 percent.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. QUIE. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, what the gentleman says is true. There is a difference between the administration and the Congress, and the Congress can disagree with the administration. It is true that the authorizing committee and appropriating committee are two different bodies, and they can disagree with each other, but the final decision comes right down here on the floor of the House. At that time, the majority here decides one figure for the authorization and another figure for the appropriation.

I thought, as the gentleman indicated, that we are getting close to the area we should have been in 1972 and 1973, keeping those close.

What I am really bothered by now, are we going to expand the difference between the authorization and appropriations? We have got that responsibility. It is ours right here in the Congress.

Mr. BRADEMAS. Mr. Speaker, I seek recognition, and yield myself 1 minute.

Mr. Speaker, I would say then, by way of summary, and here I think the gentleman from Minnesota and I are in complete agreement, that we are pleased that the administration supports the conference report, and I hope very much that the Members of the House on both sides of the aisle will vote for the conference report.

Mr. QUIE. Mr. Speaker, I have requests for time from the gentleman from Pennsylvania, the ranking minority member of the subcommittee, and two members from the committee, and the gentleman from Iowa.

I yield now to the gentleman from Pennsylvania (Mr. ESHLEMAN) such time as he may consume.

Mr. ESHLEMAN. I thank the gentleman for yielding.

Mr. Speaker, I supported this bill on its first travel through the House. At that time the authorization figures were the budget figures.

The bill comes back to us from the conference committee, as follows: for fiscal year 1975, \$200 million; and for fiscal year 1976, \$252 million.

I now oppose this legislation, and I ask the Members to consider doing the same.

The dollar figures of the authorization will have grown from a total of \$40 million in 1971 to a total of \$252 million in 1976.

Giving that in percentages, fiscal year 1971 was 62 percent over fiscal year 1970. The next year was 50 percent higher. The following year was 33 percent higher. Fiscal year 1974 was 81 percent over fiscal year 1973. Fiscal year 1975 will be up 38 percent, and fiscal year 1976 will be up 26 percent.

Let me put it still another way. This authorization will have grown almost 300 percent in the past 6 years. This is how \$40 million authorizations grow to half-billion-dollar authorizations in a decade.

I respectfully suggest that it is time we take this legislation back to the drawing board.

Mr. QUIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN of Idaho. Mr. Speaker, I rise in strong support of the conference report.

Mr. Speaker, I am happy to be associated with this legislation. I serve on the Select Committee on Education which drafted the bill and was a member of the House conferees.

The Committee on Education and Labor and the Congress itself are deserving of praise for the steady progress made in recent years, and continued in this bill, in closing the gap between the per capita level of support for the arts and humanities in the United States and most European countries.

We have in this legislation determined that the States will be receiving no less than a basic allocation of \$200,000 next year when, hopefully, the appropriations will be greater. The States must match Federal grants dollar for dollar, and many States and private contributors have been doing a tremendous job in matching Federal funding at a rate of \$3 for every Federal dollar expended.

I am disappointed that the appropriations did not match the money which we authorized—\$145 million for fiscal 1974—and which the President budgeted. I do not believe \$112 million which was appropriated by Congress for the National and State programs will be adequate to fund the successful ongoing programs and plan for the new, as well as the bicentennial programs which should be in planning stage now.

The National Endowment for the Arts (NEA) is providing invaluable assistance to struggling orchestras, to financially starved museums, to dance and theater groups which hardly break even, and which provide indescribable delight to their audiences. I am hopeful that funding levels will not mean the cutback in traveling dance and theater groups, travel plans for orchestras, expansion of the popular artists in the school program, and the like.

Since 1968 the Endowment has been responsible for making possible such projects as the Oinkara Basque Dance Tours, the Boise Philharmonic Children's Concerts and telecasts, Idaho Falls Symphony Elementary String program, Idaho Antique Festival Theatres Tours, University of Idaho Troupers Theatre, Arts for Idaho's Senior Citizens, Lewis Clark Children's Theatre, and the Coeur d'Alene PTA Council summer arts program.

This has meant a great deal in the small State of Idaho. Appropriations for fiscal 1974 for the State programs (5g) will be roughly what they were this year, which will not allow for much expansion of the programs, but I am grateful that, even so, small States all over the United

States as well as those more heavily populated areas will be the recipient of grants for similar programs to those mentioned above. Expansion will come in 1975.

The Arts Endowment has been of great comfort and joy to those citizens who are handicapped, old and in institutions. Throughout the United States there are theatre groups for the deaf, orchestra programs for senior citizens, traveling musicians who visit the institutions, such as prisons, schools for the blind and so forth, and in hospitals.

We stipulated that work should be carried to economically deprived areas—work already undertaken by the NEA, for example, in the Expansion Arts program in 34 States, mostly working with inner city and rural youth who have not had the opportunities for creative outlets.

I must say a word about the Artrain which has been touring the western part of the United States since early this year. It began in Michigan with a grant of \$50,000 from the Arts Endowment, and \$600,000 was raised to put the six-car traveling exhibit on the roads into areas which might never see an art exhibit.

Exhibits and films in some cars were the same as those used in the beginning travels in Michigan, but the third car was devoted entirely to works collected from museums in the Western States. Local artist joined the Artrain exhibition, working in painting, sculpture, pottery, macrame, crocheting of beads. We had a demonstration of Navajo jewelry making. This Artrain has been a powerful force in creating interest in the arts in each community it visits. It will visit the Southeastern United States next.

Let me list a very few of the endeavors of the Humanities Endowment and what they are doing to acquaint the American people with their ideological roots. These include State-based programs, film-TV programs, museum grants, national humanities series, great issues in the American experience, college and newspaper school curriculums, fellowships, research and editing, bicentennial conferences, State guides and histories.

One of the best of the humanities programs, in my opinion, which will soon be in all 50 States, is to bring together in the State-based programs, groups of people in the various disciplines—from adult education, from academic humanists and from institutional leaders, from colleges and universities, historical societies, libraries and the media—in open forum to discuss the great issues of the Nation as well as State and local issues, and trying to bring the insights of their disciplines to bear on these important problems.

The lack of the \$33 million, which is the difference between the President's budget request of \$145 million, Congress authorization, and the final appropriation of \$112 million, will mean drastic cutbacks, I fear, in these State based programs. They promise to be a valuable source of education for our people in the substantive issues of the day, and will

contribute to an enlightened, informed electorate. I would be sorry to see funds for this program cut.

The lack of funding will also mean that plans for the Bicentennial in 1976 will have to be cut, as well, and works which were to have been commissioned now will just not be written or composed or choreographed or sculpted or whatever. The National Endowment for the Humanities planned a television series on our revolutionary greats, such as Washington, Jefferson, and the Adams family. They are also commissioning scholarly historical works on other historical figures, and histories of the States and countries. I sincerely hope these endeavors will not suffer.

I am pleased to see that the NEH-funded "course by newspaper" on American history will be carried by the Evening Star-News—and some 200 newspapers across the country. This will be another means of education of our people, which is one laudable aim of the Endowment. This lecture course by newspaper, using as it does some of the best scholars in the country to write the series, will make our citizens richer in history, particular in understanding the deeper implications of the meanings found in the Declaration of Independence, the Bill of Rights and the Constitution.

I believe that changes which we made in this bill are good ones.

We provided that the advisory panels which make decisions on grant applications must have broad geographic representation rather than be dominated by any one region of the country. We also stipulated that the Endowments search out economically deprived areas for funding. We allowed public research libraries to come under the eligibility standards of the Library Services Act. We approved amendments which provides funding for regional groups to begin operations, so that the States can pool limited resources to provide cultural resources for their people, with technical and other assistance from the Arts Endowment.

It was the intention of the legislation to enlarge the role the States play in the building and strengthening of their programs. I believe that our final bill is explicitly clear on this.

We are also clear that the States are to receive more money in the future.

This is, I repeat, an excellent bill. The Endowments are doing an outstanding job in bringing a greater and richer cultural life to our citizens.

I should like to commend Miss Nancy Hanks, Chairman of the National Endowment for the Arts and her fine staff, and Dr. Ronald S. Berman, Chairman of the National Endowment for the Humanities and his gifted staff, for work well done. The standard which they set for themselves is excellence. And they insist that the applicants for Federal grant money must meet this rigid criteria. Congress has in the past insisted upon this, and the Endowments have followed through very well indeed.

This program is vitally necessary in

our national life. It helps fill an inner need which each of us has for participation and enjoyment of the arts, for the creative development of the life of the mind and spirit; and I am grateful to this Congress for its support of this legislation.

Mr. QUIE. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Speaker, I should like to ask someone who is knowledgeable about this conference report whether I am right in assuming that for fiscal year 1974, the current fiscal year, the authorization for spending on the Arts and Humanities is \$145 million?

Mr. QUIE. That is right.

Mr. GROSS. For all purposes?

Mr. QUIE. That is right.

Mr. GROSS. For administration, the arts, humanities, endowments, and so on and so forth, \$145 million.

For 1975 it would jump, according to the conference report, to \$200 million; is that correct?

Mr. QUIE. That is correct.

Mr. GROSS. And for 1976 it would jump for all purposes to \$252 million?

Mr. QUIE. That is correct.

Mr. GROSS. Plus?

Mr. QUIE. Not plus, period.

Mr. GROSS. What was the appropriation as finally agreed upon in the conference report, from the Appropriations Subcommittee?

Mr. QUIE. I would say to the gentleman, the appropriation for programs was \$11,775,000 plus the administrative costs, which were \$6.5 million. So it was a total of a little over \$18 million.

Mr. GROSS. A total of over \$18 million, is that correct?

Mr. QUIE. A total of a little over \$18 million.

Mr. GROSS. And this is the program that former President Johnson, who was no slouch in the business of spending the public's money, held to \$5 million for all purposes in the first year of its operation?

Mr. QUIE. That is correct, in the first year of its operation. He did submit a budget of \$17.1 million.

Mr. GROSS. And this program for the Arts and Humanities did not take flight into the spending orbit until the first full Nixon budget in 1970; is that not correct?

Mr. QUIE. First I want to correct the gentleman. The figure in the first year of the program, \$5 million, was the appropriation figure. President Johnson requested \$17.1 million.

Mr. GROSS. But it really took off in the fiscal year 1970, in the budget for that year, the first for which Mr. Nixon was responsible; is that not correct?

Mr. QUIE. Mr. Speaker, the budget request by Mr. Nixon in 1970 was \$17 million, which was 68 percent of the opposition figure.

Mr. GROSS. So, Mr. Speaker, about 2 weeks ago, President Nixon boasted that he had approved a 900-percent increase in spending for the Arts and Humanities since his administration took over on a full fiscal year basis in 1970.

Mr. QUIE. The budget request of 1970

was \$70 million, and the budget figure was for \$145 million.

Mr. GROSS. And that to come from a busted U.S. Treasury.

Mr. Speaker, this committee had the gall to go over and sit down with the Senate and agree in conference, with all of the financial uncertainty that confronts this Government and the people of this country, to a budget of \$252 million in 1976. How unconscionable can the conferees be?

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

Mr. GROSS. I will yield later if I have time.

Mr. Speaker, before I do yield and before my time runs out, I wish to join the gentleman from North Carolina, Mr. RUTH, on the subject of hypocrites and say to the Members, as he did, that I cannot think of a bigger hypocrite than one who would subscribe to this kind of business and then preach about a balanced budget, about economy or any kind of fiscal responsibility.

It is unbelievable and unconscionable, Mr. Speaker, that in this time of un halten inflation, of a huge and growing debt and with the Federal Government borrowing billions of dollars each year to keep afloat, that in 10 short years—from 1966 to 1976—the spending for the arts and humanities should be increased from a total of \$5 million in 1966 to a projected \$252 million in 1976. Who among us here today has the faintest conception of the financial situation of this country in 1976?

This is financial irresponsibility at its worst and it matters not whether the blame rests upon the executive branch of the Federal Government or Congress or both.

Reason and common sense dictate that this conference report be defeated.

Mr. QUIE. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. Speaker, will the gentleman yield to me?

Mr. PEYSER. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I just wish to say on the question of the \$145 million that the House figure was \$145 million, and the Senate figure was \$160 million. We could not go below the \$145 million, and the Senate yielded to the House figure.

Mr. PEYSER. Mr. Speaker, I thank the gentleman for making that point clear.

I just hope that in the few minutes remaining nobody loses sight in the House of the fact that this is one of the programs that the Congress launched a few years back and has seen fit to increase year after year. This is a program that truly reaches out to the people of this country.

Mr. Speaker, I know of no one who has really gone out and seen some of the programs and projects, both in the cities and in rural areas where the impact of the arts and humanities have truly been felt, who no longer supports this program.

They do support it.

There have been some who started out as doubters, those who did not subscribe to the program. We heard the minority leader speak several months ago on this subject. He told us that he was in opposition to it originally, but that he had a chance to look and see what was happening, and he, himself, is now a strong supporter.

I do not think we ought to get lost in the area of who is a hypocrite or who is not a hypocrite in connection with some actions in the House which we have taken on some other legislation, whether it is correct or not correct. We are dealing with a program where both education and the pleasures of this life are considered, and by this program we are giving everyone an opportunity for the pleasures of this life, whether they are poor or middle income, to see some of the great things this country has to offer and hear some of the great things that artists and writers can give to our civilization.

It seems to me that every one of our Presidents, from Mr. Kennedy to Mr. Johnson to Mr. Nixon, and the Congresses of those periods have recognized this as a great program. Now, let us continue the program and let it grow.

Mr. Speaker, I can think of no better investment in the people of our country than this program of arts and humanities has to offer.

Let us go ahead and pass his legislation.

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time.

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

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 294, nays 106, not voting 34, as follows:

[Roll No. 488]

YEAS—294

Abdnor	Bevill	Burton
Abzug	Blester	Carney, Ohio
Adams	Bingham	Carter
Addabbo	Blatnik	Cederberg
Alexander	Boggs	Chamberlain
Anderson,	Boland	Chappell
Calif.	Bolling	Clark
Anderson, Ill.	Bowen	Clay
Andrews, N.C.	Brademas	Cleveland
Andrews,	Brasco	Cohen
N. Dak.	Bray	Collins, Ill.
Annunzio	Breckinridge	Conable
Arends	Brooks	Conte
Ashley	Broomfield	Corman
Aspin	Brotzman	Cotter
Badillo	Brown, Mich.	Coughlin
Baker	Brown, Ohio	Cronin
Barrett	Burke, Calif.	Culver
Bell	Burke, Fla.	Daniels,
Bergland	Burke, Mass.	Dominick V.

Danielson	Kastenmeier	Rodino
Davis, S.C.	Kazen	Roe
de la Garza	Keating	Rogers
Delaney	King	Roncalio, Wyo.
Dellenback	Kluczynski	Rose
Dellums	Koch	Rosenthal
Denholm	Kyros	Roush
Dent	Lehman	Rostenkowski
Donohue	Lent	Roy
Drinan	Litton	Royal
Dulski	Long, La.	Ruppe
Duncan	Long, Md.	Ryan
du Pont	McClory	St Germain
Eckhardt	McCloskey	Sarasine
Edwards, Ala.	McDade	Sarbanes
Edwards, Calif.	McFall	Schniebel
Ellberg	McKey	Schroeder
Erlenborn	McKinney	Sebelius
Esch	Macdonald	Seiberling
Evans, Colo.	Mahon	Shipley
Evins, Tenn.	Mailliard	Shriner
Fascell	Mann	Sikes
Findley	Martin, N.C.	Sisk
Fisher	Mathias, Calif.	Slack
Flood	Matsunaga	Smith, Iowa
Flowers	Mayne	Smith, N.Y.
Foley	Mazzoli	Stanton
Ford, Gerald R.	Meeds	J. William
Ford,	Melcher	Stark
William D.	Metcalfe	Steed
Forsythe	Mezvinsky	Steele
Fraser	Minish	Steelman
Frelighuysen	Mink	Stephens
Frenzel	Minshall, Ohio	Stokes
Fulton	Mitchell, Md.	Stratton
Fuqua	Mitchell, N.Y.	Stubblefield
Gaydos	Mizell	Stuckey
Gettys	Moakley	Studds
Giaimo	Molohan	Symington
Gibbons	Moorhead,	Talcott
Goldwater	Calif.	Taylor, N.C.
Gonzalez	Moorhead, Pa.	Teague, Calif.
Grasso	Morgan	Thompson, N.J.
Griffiths	Mosher	Thomson, Wis.
Gubser	Moss	Thone
Guyer	Murphy, Ill.	Thornton
Haley	Murphy, N.Y.	Tiernan
Hamilton	Natcher	Towell, Nev.
Hanley	Nedzi	Udall
Hanrahan	Nelsen	Ullman
Hansen, Idaho	Nichols	Van Deerlin
Hansen, Wash.	Obey	Vander Jagt
Harrington	O'Brien	Vanik
Harsha	O'Hara	Veysey
Harvey	O'Neill	Vigorito
Hawkins	Owens	Walde
Hays	Parris	Walsh
Hechler, W. Va.	Patten	Wampler
Heckler, Mass.	Pepper	Whalen
Heinz	Perkins	Whitehurst
Heilstoski	Pettis	Widnall
Hicks	Peyser	Williams
Hillis	Pickle	Wilson, Bob
Hogan	Pike	Winn
Holifield	Podell	Wolff
Holtzman	Preyer	Wright
Horton	Price, Ill.	Wyatt
Hosmer	Pritchard	Wydler
Howard	Quile	Wyman
Hudnut	Quillen	Yates
Hungate	Rallsback	Yatron
Hutchinson	Randall	Young, Alaska
Jarman	Rangel	Young, Fla.
Johnson, Calif.	Regula	Young, Ill.
Johnson, Pa.	Reid	Young, Tex.
Jones, Ala.	Reuss	Zablocki
Jones, Okla.	Rhodes	Zwach
Jones, Tenn.	Riegle	
Jordan	Rinaldo	
Karth	Robison, N.Y.	

NAYS—106

Armstrong	Clawson, Del	Gilman
Ashbrook	Cochran	Ginn
Bafalis	Collier	Goodling
Bauman	Collins, Tex.	Green, Oreg.
Beard	Conlan	Gross
Bennett	Crane	Grover
Blackburn	Daniel, Dan	Gunter
Breaux	Daniel, Robert	Hammer-
Brinkley	W., Jr.	schmidt
Broyhill, N.C.	Davis, Wis.	Hastings
Broyhill, Va.	Dennis	Hébert
Burgener	Derwinski	Henderson
Burleson, Tex.	Devine	Hinshaw
Burlison, Mo.	Dickinson	Holt
Butler	Downing	Huber
Byron	Eshleman	Hunt
Camp	Fish	Ichord
Casey, Tex.	Flynt	Kemp
Clancy	Fountain	Ketchum
Clausen,	Frey	Kuykendall
Bergland	Don H.	Landgrebe

Landrum	Poage	Steiger, Wis.
Lott	Powell, Ohio	Symms
Lujan	Price, Tex.	Taylor, Mo.
McCollister	Rarick	Treen
McEwen	Roberts	Waggoner
McSpadden	Robinson, Va.	Ware
Madigan	Rousselot	Whitten
Mallary	Ruth	Wiggins
Marazita	Saylor	Wilson
Martin, Nebr.	Scherle	Charles H.
Mathis, Ga.	Shuster	Callif.
Michel	Skubitz	Wilson, Charles, Tex.
Milford	Snyder	Wylie
Miller	Spence	Young, S.C.
Montgomery	Stanton, James V.	Zion
Myers	Steiger, Ariz.	

## NOT VOTING—34

Archer	Green, Pa.	Rees
Biaggi	Gude	Rooney, N.Y.
Brown, Calif.	Hanna	Runnels
Buchanan	Johnson, Colo.	Sandman
Carey, N.Y.	Jones, N.C.	Satterfield
Chisholm	Latta	Staggers
Conyers	Leggett	Sullivan
Davis, Ca.	McCormack	Teague, Tex.
Diggs	Madden	White
Dingell	Mills, Ark.	Young, Ga.
Dorn	Nix	
Gray	Patman	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Satterfield.

Mr. Staggers with Mr. Brown of California.

Mr. Teague of Texas with Mr. Madden.

Mrs. Chisholm with Mr. Rees.

Mr. Carey of New York with Mr. Mills of Arkansas.

Mr. Nix with Mr. Runnels.

Mr. Dingell with Mr. Gude.

Mr. Hanna with Mr. Conyers.

Mr. Davis of Georgia with Mr. Jones of North Carolina.

Mrs. Sullivan with Mr. Buchanan.

Mr. Green of Pennsylvania with Mr. Diggs.

Mr. Gray with Mr. Latta.

Mr. Dorn with Mr. Archer.

Mr. Leggett with Mr. White.

Mr. McCormick with Mr. Young of Georgia.

Mr. Biaggi with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

**PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON H.R. 10614, MILITARY CONSTRUCTION AUTHORIZATION BILL FOR FISCAL YEAR 1974**

Mr. PIKE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on H.R. 10614, the military construction authorization bill for fiscal year 1974.

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

There was no objection.

**GENERAL LEAVE**

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report (S. 795) just passed.

The SPEAKER. Is there objection to

the request of the gentleman from Indiana?

There was no objection.

**PERSONAL EXPLANATION**

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

Mr. HEINZ. Mr. Speaker, yesterday I was unavoidably absent on official business in my congressional district. Had I been present, I would have voted on the question to suspend the rules and pass the bills, as follows:

Rollcall No. 485, H.R. 8029—Indian Claims Commission Funds Distribution, “aye.”

Rollcall No. 486, S. 2419—Agriculture Act technical corrections, “aye.”

Rollcall No. 487, H.R. 10397—Cabinet Committee on Opportunities for Spanish-Speaking Peoples, “aye.”

casting. The total amount authorized by the bill is \$50,209,000.

Mr. Speaker, I urge adoption of House Resolution 549 in order that we may discuss and debate S. 1914.

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

Mr. Speaker, House Resolution 549 provides for the consideration of S. 1914, the Board of International Broadcasting Act of 1973, under an open rule with 1 hour of general debate.

The two primary purposes of S. 1914 are: First, to establish a Board for International Broadcasting, which would receive funds, allocate them to Radio Free Europe and Radio Liberty, and perform review functions; and second, to authorize \$50,209,000 for fiscal year 1974 to support the operations of Radio Free Europe, Radio Liberty, and the Board of International Broadcasting. In addition, the bill requires private contributions and contributors to the two radio stations to be made a matter of public record.

Radio Free Europe and Radio Liberty were established following World War II, when the U.S.S.R. gave indication of establishing hegemony over Eastern Europe. Until June 30, 1971, both were supported by funds provided by the CIA. In the case of Radio Free Europe, small amounts were raised from private sources. Since CIA funding has been denied both organizations by Congress, they have been funded on an annual, temporary basis under the U.S. Information and Educational Exchange Act.

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

Mr. Speaker, I have no further requests for time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MORGAN. 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 (S. 1914) to provide for the establishment of the Board for International Broadcasting, to authorize the continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes.

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 S. 1914, with Mr. ST GERMAIN 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 Pennsylvania (Mr. MORGAN) will be recognized for 30 minutes, and the gentleman from California (Mr. MAILLARD) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MORGAN).

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

The bill, S. 1914, provides for the establishment of a Board for International Broadcasting and authorizes \$50,209,000 to support the operations of the Board, Radio Free Europe and Radio Liberty for fiscal year 1974.

Mr. Chairman, S. 1914 passed the Senate by an overwhelming vote of 76 to 10 and was reported favorably, without amendment, by the Committee on Foreign Affairs by a vote of 22 to 6. The bill, as passed by the Senate and approved by our committee, contains the following changes in the administration's original request:

First of all, the amount authorized for fiscal year 1974 is \$50,209,000 rather than \$50,300,000. The lower figure represents the amount actually budgeted by the Executive for the two radios and the Board for International Broadcasting;

Second, there is no authorization in the bill for fiscal year 1975; and

Third, the bill requires all private contributions and contributors to the two radio stations to be made a matter of public record.

Until June 30, 1971, both radios were supported by funds provided by the Central Intelligence Agency. In the case of RFE, \$49 million was raised in private contributions during the two decades since 1951. This amounted to about 18 percent of the Radio's operating expenses.

Since CIA funding has been terminated by Congress, the stations have been funded on an annual, temporary basis under section 703 of the U.S. Information and Educational Exchange Act of 1948. Under this authority, \$35 million was provided to the Secretary of State for fiscal year 1972, and \$39.7 million for fiscal year 1973.

Both of those authorizations were stop-gap measures, pending the completion of studies on RFE and RL—first by the Library of Congress and the General Accounting Office—and more recently by a Presidential Study Commission on International Broadcasting—the Eisenhower Commission.

All of these studies reported favorably on the Radios' activities, policies, and management.

The Presidential Study Commission I have referred to, Mr. Chairman, was chaired by Dr. Milton Eisenhower, president emeritus of Johns Hopkins University, and was composed of four other prominent members, distinguished in the field of communications and foreign policy. I commend their report to Members' attention.

The Eisenhower Commission unanimously concluded that the two radios continue to serve a useful purpose and are consistent with U.S. foreign policy objectives during an era of lessening East-West tensions. As the report states:

The Commission is convinced that Radio Free Europe and Radio Liberty, by providing a flow of free and uncensored information to peoples deprived of it, actually contribute to a climate of détente (de-tont), rather than detract from it . . .

As a mechanism for continued public funding of the two stations, the Commission recommended the creation by con-

gressional action of a Board for International Broadcasting—a public institution which would receive appropriated funds for allocation to RFE and RL. The Board would also carry out specific oversight functions, which are set forth under section 4(a) of the act.

The Board would consist of five voting members—all appointed by the President by and with the advice and consent of the Senate—and two nonvoting—ex officio—members representing the stations.

Voting members are to be non-salaried and selected from "among Americans distinguished in the fields of foreign policy or mass communications"—who are not full-time employees of the Government. Not more than three such members are to be of the same political party.

The Board would be serviced by a small staff of five to seven members.

I would now like to turn to the cost of these operations.

The \$50 million authorization is \$10 million higher than what the Congress provided for Radio Free Europe and Radio Liberty last year.

This is a substantial increase—and a number of my colleagues may ask "Why?"

Well, Mr. Chairman, let me state that none of these funds are going to be used to enlarge the operations of the two stations—to increase their personnel—or to provide any fringe benefits.

This increase in the budget has been caused by one fact and one fact alone: The devaluation of the dollar.

Since most of the employees of Radio Free Europe and Radio Liberty work in Europe, they are paid with European currencies—mostly with German marks.

In recent times, the U.S. dollar has gone down in value in relation to those currencies by over 20 percent—and the increase in the authorization is required to cover that deficit.

Let me add one more point on the issue of costs:

The Eisenhower Commission has recommended that studies be carried out to see what economies can be achieved by sharing various facilities by the two stations—and by those stations with other U.S. broadcasting activities in Europe.

Our committee has endorsed that proposal and put this in our report.

We believe that there may be room for some economies here—not by merging RFE and RL with the Voice of America or some other U.S. broadcasting activities, but by sharing technical and other facilities.

We expect the Board for International Broadcasting to get into this subject and to report to us next year, before any additional authorizations come before the Congress.

Mr. Chairman, that concludes my explanation of the bill.

If I could take another minute or two, I would like to say a few words about some of the issues raised in the minority and opposing views, contained in our committee report.

Some of our committee members have opposed this legislation on the grounds that the radios are run and staffed by foreigners—that they benefit foreign

countries—and that they are contrary to our policy of trying to get along with the Soviet Union and the countries of Eastern Europe.

These arguments are not convincing.

Radio Free Europe and Radio Liberty are American organizations. They were created by the U.S. Government to serve our foreign policy. They are run by Americans and they serve the interests of our country.

The fact that a lot of former Eastern Europeans, and former Russians, work for these stations does not change those facts.

Like any other organizations, these radio stations have to employ people who can do the job—and do it right. Many of the people who work for them—in most cases for wages much lower than those which would be expected by qualified U.S. citizens—have the language ability which is hard to find.

Radio Liberty, for example, broadcasts to the Soviet Union in 18 different languages, including Tartar, Bashkir, and Turkestani.

There are not many people in the United States who have topnotch command of those and other languages.

The fact remains that all those employees serve the interests of U.S. foreign policy—otherwise there would be no Radio Free Europe, and no Radio Liberty.

In addition, the operations of these two stations are not contrary to our policy of improving relations with the Soviet Union and Eastern Europe.

This is the opinion of President Nixon—and of the Department of State.

This is also the conclusion of the Eisenhower Commission—and neither Dr. Eisenhower, nor Ambassador Gronouski, nor the other members of the Commission, can be accused of being "cold war" warriors.

Finally, this is also the conclusion of our committee, which reported this bill by an overwhelming vote of 22 to 6.

For all of these reasons, I urge the passage of S. 1914 as reported by the Committee on Foreign Affairs.

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

Mr. Chairman, the distinguished chairman of our committee has explained the background and history and some of the arguments that revolve around Radio Free Europe and Radio Liberty, and I certainly do not intend to take the time of the committee to go over these grounds again. I fully support what the Chairman has said. I think he has accurately described the reason we are here with the legislation.

I want to address myself at this point to just one point which several people have asked me about. The House quite recently acted on the authorizing legislation for the U.S. Information Agency, which includes the Voice of America. I find that many Members are asking the question: Why do we have these two broadcasting operations when the Voice of America is doing the same job?

Mr. Chairman, I believe there has been a certain amount of confusion about this. The roles of these two broadcasting

units and the Voice of America are quite distinct and different. The VOA is the radio arm of the U.S. Information Agency and, as such, is an official voice of the U.S. Government. It reports primarily on events in the United States and interprets U.S. Government policy as it affects not only domestic but international questions.

On the other hand, Radio Free Europe and Radio Liberty serve to a large extent as domestic radio communications for the countries behind the Iron Curtain. Their own press and radio are almost totally government controlled, and information that does not fit with government policy generally is not disseminated to the people of those countries.

In bringing this bill to the floor today, the Committee has had the benefit of extensive studies, as the Chairman has mentioned, the last one being by the Eisenhower Commission. In response to the charge that has been made that the two radio broadcasters are sort of a relic of the cold war era and are not appropriate to the continuing détente we are trying to achieve today, they made the following comment, which I believe is a significant one:

Providing a flow of free and uncensored information to people deprived of it, actually contributes to a climate of détente rather than detract from it.

The majority of the committee supported this conclusion of the Eisenhower Commission. That is why we have the bill here today.

I would like to point out that the radios have changed a lot from their earlier years when they were inclined to be rather polemic and liberation-oriented. Today the emphasis is on factual news reporting, so that the people in these countries behind the Iron Curtain have some source of information of what is going on in their own countries that they cannot get from their own press.

The question of how to provide for the financing of the radios has not been an easy one to solve. I think our proposal here for a Board of International Broadcasting provides a reasonable solution to a rather vexing problem of how to transfer financial support to these radios, which most of us on the committee have been convinced are useful, important means of communicating information to people who have practically no sources of information beside what their own governments choose to tell them.

So I hope Members will join with me in support of this legislation.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to S. 1914.

This bill provides an approach without parallel in the domestic or foreign operations of the U.S. Government. Neither the report of the Eisenhower Commission nor the committee hearings provide answers to the serious questions which this approach raises. Some of these questions, the answers to which Members should have before they support this bill or any similar legislation, are:

First. Who in this world will believe that these radio stations operate in any way "like a free press" with "professional independence," as the Eisenhower Commission maintains in its report, when they are financed principally and directly by the U.S. Government?

Second. Why should the American taxpayer supply \$50 million or more annually for the foreseeable future for two private organizations which are run principally by non-Americans operating in foreign countries to send their views into other foreign countries?

Third. Do the American people believe they have such a monopoly on wisdom and virtue in the world community that they should finance "truth" broadcasts on the internal problems of Eastern European countries?

Fourth. Would the Congress grant \$50 million to any other board to be channeled to private groups with no guidelines for spending the money, no effective oversight procedure and no description of the public goals to be gained through this public expenditure?

Fifth. What officials responsible to our Government and with proper resources for the task, will supervise the expenditure of these public funds which will be spent in foreign countries for activities directed into other foreign countries?

Sixth. Should the official foreign policy agencies of our Government, especially the Department of State, be excluded from an advisory or supervisory role over these stations which broadcast controversial information on the internal affairs of our principal foreign adversary?

Seventh. Would we believe the Soviet Union if it said that its financing of "private" radio stations beamed to the United States about American domestic affairs was compatible with détente?

Eighth. If the Soviet Union financed the broadcast into the United States of the views of deserters and draft resisters would we accept the Soviet explanation that they sought only to impart information and not to interfere with our domestic affairs?

Ninth. Should the Congress continue to finance both official overseas radio broadcasts of the Voice of America and "unofficial" broadcasts of these stations with a duplication of function, facilities and personnel?

Tenth. Can Congress convince itself, and its constituents that \$56 million in public funds for the Voice of America constitutes "official" international broadcasting while another \$50 million in public funds for these two stations constitutes "free and independent" broadcasting?

Eleventh. If these stations are performing such important functions why do West European governments refuse to contribute to their operation?

Twelfth. Why do private contributors in either Europe or the United States fail to provide more than token financial support for these stations?

Thirteenth. If broadcasting "internal" news to Eastern European countries is important enough to negate or at least diminish the trend toward détente, why do none of our West European allies un-

dertake such broadcasting on their international stations? Why is the United States the only Western country involved in such broadcasting?

Fourteenth. If it is proper today for one government to finance the broadcast of views of emigres to their country of origin, why did we use secret CIA funds to finance the stations for nearly 20 years?

Fifteenth. If Radio Free Europe and Radio Liberty are proper functions for official U.S. Government financing, why not establish a Radio Free China, Radio Free Greece, or Radio Free Brazil? If we are truly concerned about the lack of information within other countries, should we not try to do a thorough job in every country where such deficiencies in news exists?

Sixteenth. Why should the United States increase its balance-of-payments deficits, and help Europeans increase their surpluses, by sending another \$50 million overseas each year, principally to West Germany where the dollar has already declined by about 30 percent in value since January 1973?

Seventeenth. Why should U.S. public funds pay the salaries of over 2,400 workers, largely non-Americans, living overseas at an average salary of over \$10,000 each, when we have a sizable unemployment problem at home?

Eighteenth. Why should Congress authorize these millions of dollars to support anti-government broadcasts to the Soviet Union in a year following one in which we sold one-quarter of our grain crop to that government at bargain prices?

Nineteenth. Does anyone have any reliable information about whether these stations are worthwhile operations, in proportion to their costs, except as they benefit several thousand expatriates who run them?

Twentieth. Would anyone today consider establishing Radio Free Europe and Radio Liberty if they did not already exist?

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I thank the gentleman for yielding to me.

In regard to the gentleman's comments, his 13th question states this:

If broadcasting "internal" news to Eastern European countries is important enough to negate or at least diminish the trend toward détente, why do none of our West European allies undertake such broadcasting on their international stations?

Then I notice in the report of the committee the additional views of the gentleman from Florida (Mr. BURKE) set forth on page 15, and the gentleman from Florida raised the same question, but then goes on in his succeeding paragraph to make the following statement:

In addition, the British Broadcasting Corporation, the West German station, Deutsche Welle, the official radio of France, the Vatican, Israel and others transmit a sum total of 822 program-hours each week to the Soviet Union and Eastern Europe over and above the efforts of Radio Free Europe and Radio Liberty.

I am confused as to what the facts really are.

Mr. ROSENTHAL. Well, there is no dispute between us. The Western European governments maintain official radio stations, BBC, Deutsche Welle, and others, the same way we do the Voice of America, and that is why we authorized \$56 million for Voice of America. None of the Western European governments contribute to a private radio station independent of Government operation such as Radio Free Europe and Radio Liberty.

Mr. EVANS of Colorado. I thank the gentleman.

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

Mr. FREILINGHUYSEN. Mr. Chairman, one can only wonder why the gentleman from New York has taken the time to read the questions that he put in his additional views in the committee report. Needless to say, I will not impose on the time of the committee to answer them in detail. I shall begin by saying that answers to all these questions are readily available.

I would assume that any member of the Foreign Affairs Committee, at least those who have listened to the testimony before us, would know the answers to these questions. He would also know that the questions are in several cases inaccurate statements of the factual situation. Other members, I recognize, may want to know the answer to some of the questions posed.

As an example, the gentleman asked, why should the American taxpayers supply \$50 million to private organizations which are run principally by non-Americans? The answer is that these organizations are not run principally by non-Americans. The Board of International Broadcasting, which will have the basic responsibility, will consist of Americans. The boards of directors of both Radio Free Europe and Radio Liberty are Americans. There is, quite obviously, an ongoing interest on the part of Congress in these operations. The gentleman from New York himself has pointed out, in other questions he has recognized that this quite obviously, is an American operation, and I think quite rightfully so.

The gentleman from New York in question No. 1 asks:

Who in this world will believe that these radio stations operate in any way "like a free press" . . . with "professional independence" . . . ?

If the question is meant to suggest that we are trying to deny that there will be Government financing, I would say that the Government financing is obvious. However, this does not prevent the policy of the stations from being independent. The Board of International Broadcasting will have the responsibility to see that the views expressed are not inconsistent with American foreign policy, but they presumably will guard against dictation regarding what is broadcast. Government financing does not mean that these radios will not have—and we can anticipate that this is going to be

the case, because it has been true in the past—a very considerable degree of independence.

Then there is question No. 5:

What officials, responsible to our government and with proper resources for the task, will supervise the expenditure of these public funds which will be spent in foreign countries for activities directed into other foreign countries?

The answer should be plain. The Board of International Broadcasting will have the responsibility of making these funds available to these two radios, and will also be responsible for how the money is spent. Quite clearly, there is also going to be a continuing responsibility for auditing on the part of the Congress. I would suggest that there will be no problem here with respect to uncontrolled expenditures.

Let me jump to the last question, which was mentioned with some emphasis as if it were important.

Would anyone today consider establishing Radio Free Europe and Radio Liberty if they did not already exist?

The answer to that is obvious: Of course, they would, because there is still need for such activity. There is still the need for such news to the countries of Eastern Europe and to the Soviet Union to continue. I wish it were not the case. I wish that the residents of the Soviet Union did today have free access to news which now can only be provided by the broadcasts of Radio Liberty. But the fact is that this is still a need which is generally recognized, and which the Eisenhower Commission recognized. This need will continue for the foreseeable future. For that reason I think it is appropriate that we set up an entity to handle funds. What is being suggested is to continue these operations.

We have the right to end these broadcasts, if we thought the need had ended. The fact that they have been going on for many years in the past is not an argument for continuing them unless the need still exists. So I think the answer is that most of us today do consider that Radio Free Europe and Radio Liberty are well worth continuing, in our own national interest.

All this talk that this in some way is going to interfere with détente and that perhaps the Soviet Union does not like to have us beam within their borders, I think is not borne out by the facts. It may well be that the Soviet Union does not like these broadcasts, but it is quite obvious that they have nonetheless sought a relaxation of tensions. They have been willing to get closer to us despite the fact that these broadcasts have continued. I do not think that there is going to be any less interest on the part of the Soviet Government in establishing trade relations or economic relations with us because of our activities. And even if the Soviet Government is not happy I think with the kind of repressive internal organization which the Soviets still continue to demonstrate, that the need for this kind of activity on our part definitely continues.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. REID).

Mr. REID. Mr. Chairman, I thank the distinguished gentleman for yielding.

First, let me see if I can put this instant legislation, S. 1914, a little bit in perspective. I introduced the original legislation along with Senator CLIFFORD CASE, I in the House and he in the Senate, to remove the funding of these radio stations from the Central Intelligence Agency, to move the operation of Radio Liberty and Radio Free Europe in the direction of a quasi-independent operation, and to place responsibility for these radios specifically under the Secretary of State instead of under the Central Intelligence Agency.

This was an effort, as is made clear in S. 1914, to further promote the right of freedom of opinion and expression and to seek receipt of and impart information and ideas in accordance with article 19 of the Universal Declaration of Human Rights. To put it very simply, there seemed to many of us merit for straight news reporting which could reach the peoples of Poland and four other countries in Eastern Europe and indeed the Soviet Union, where news is broadcast in 19 languages. In fact, it seemed critically important that this be done.

Let me give the Members just two illustrations as to why I think straight news reporting is critically important and is not available through any other media. All of the Members are familiar, along with the members of the committee, with what happened in the case of Poland and the ouster of Gomulka. What some of us may not know is that when the disturbances started, essentially over the question of a higher standard of living for men working in the mines in the Baltic area, the Polish Government suppressed the fact that there was a revolt and that there were serious problems.

It was only due to Radio Free Europe that word reached the rest of Poland and, indeed, Warsaw. The result was the fall of Gomulka and the rise of Gierek and I believe the rise of a certain degree of relaxation in Poland that bodes well in the future both with respect to relations between Poland and the United States and with respect to a general relaxation toward freedom.

Had the news never reached the rest of Poland I believe Gomulka might still be in charge and the lot of the Polish people would be that much more difficult. I believe the church and others in Poland are well aware of the function of free information reaching the people of Poland.

In the question of the Soviet Union, having recently returned from Schoenau, which many may have seen perhaps in the news, and from Israel, I found it clear that the Soviet Jews are very dependent on word of the outside world which they receive from Radio Liberty.

I think we are serving a vital function in providing free information. I have said repeatedly that the effort here must be for an independent professional news operation.

I might mention one question raised by my distinguished colleague, the gen-

leman from New York (Mr. ROSENTHAL). In question No. 2 he raises the question as to why we should send "their" views—referring to Americans—into foreign countries. The radio stations do not send "their" views. This is supposed to be straight reporting of news throughout the world or news within these countries that otherwise would not receive frequency.

Finally I would say that in my judgment these stations will be under an independent board. The board itself will be subject to the oversight of the Congress.

As to the question of whether these funds are well spent, I think if we are interested in relaxation of tensions, in détente, in a slight opening up of a communication, we must realize that freedom of news and freedom of communication will contribute to that end. Conversely, if we allow the Soviet Union to slam down the doors by jamming or other efforts to prevent information reaching their peoples, then the discussions of diplomacy and of a gradual improvement in the standard of living which can contribute to relaxation will be that much harder.

Obviously these stations must be totally independent and while they are funded by the United States that should not mitigate—under the new board and the Secretary of State and hopefully the independent men who will be approved by the Congress on the board—in any way or derogate in any way from the independence and accurate news character of their reporting.

Mr. Chairman, I accordingly urge support of this legislation in the interest of détente and freedom of communication.

Mr. MAILLIARD. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Chairman, I rise in opposition to S. 1914, which, would not only provide for the establishment of a Board for International Broadcasting but would also receive congressionally appropriated funds, which it would allocate to Radio Free Europe and Radio Liberty. It disturbs me also that it would be the principal one to perform the review functions in lieu of the Congress. The bill would authorize an appropriation of \$50,209,000 for fiscal year 1974 to support the operations of Radio Free Europe, Radio Liberty, and the Board for International Broadcasting.

To me, this is no longer good legislation for us and its use to our U.S. security is greatly overrated. Unfortunately, we, often, continue programs already in existence and increase our appropriations year after year, because it is easier than to really question their merit or effectiveness. Thus, the costs to the U.S. taxpayer of many of yesterday's programs, which have outlived their usefulness, are continued. I hope this will not be one of them.

All my life I have opposed communism and have seen the evils of communism first hand; but, to me, the methods of dealing with our ideological differences must change with the times and with our

relationships with the other nations of the world. We face an economic crisis at home, and to me this is not the time for us to support three radio stations and programs to beam broadcasts into the Soviet Union and Eastern European countries. In fact, very often these same programs are jammed by the Soviet government.

In fiscal year 1973 we spent more than \$138 million of U.S. taxpayers' money on overseas broadcasting activities through Voice of America, Radio Free Europe, Radio Liberty, and Armed Forces Radio and Television Service. Requests for fiscal year 1974 are up \$11 million to \$149 million to finance these three radios sending information and news into the Soviet Union and Eastern Europe.

I believe that the time has come when we should each ask ourselves before voting on this matter, whether we would consider establishing Radio Free Europe and Radio Liberty today if they were not already in existence? Surely the \$50 million requested for these operations this year are needed also to help resolve some of our many domestic problems.

The so-called "freedom radios" began in the early 1950's during a period of ideological confrontation between the East and West. Radio Liberty focused upon the Soviet Union, while Radio Free Europe focused upon its Eastern European satellites. Each presented itself as a spontaneous creation, run by freedom-loving refugees and, presumably, financed by the dimes and nickels from school children. However, both were in reality organizational and functional instruments of the CIA. Radio Free Europe and Radio Liberty have modified their goals and no longer espouse the concept of revolt against communism as it did originally. True, to some extent, they still work for "liberalization," but they do so by fostering popular pressures for policies of moderation on the part of the Soviet official hierarchy.

It is my opinion that today little will be gained for the U.S. from the exacerbation of tension that Radio Free Europe and Radio Liberty cause. I feel that we would likely achieve more good for the American people and the free people of the world if we helped reduce international tensions which we can hardly do by continuing lukewarm broadcasts in a conspiratorial vein, especially since we have announced a foreign policy of not forcing our version of the political truth into other nations.

I agree with the argument that the free nations of the West should have a voice and should be heard; but, we should remember that, at the present time, in addition to the present three U.S. radios which I mention the British Broadcasting Corp., the West German station, Deutsche Welle, the official radio of France, the Vatican, Israel and others transmit a sum total of 822 program-hours each week to the Soviet Union and Eastern Europe over and above the efforts of Radio Free Europe and Radio Liberty.

I do not have to mention the problems we have today with our balance of payments and our present economic situa-

tion here in the United States. We all are aware of this, but, I ask this: "Why should we continue to spend the U.S. taxpayers' money for this duplication of effort abroad?" If these radios are to continue, they should be financed by the prosperous nations of Western Europe which actually stand to benefit as much, if not more than we do, by such radio programming and the success thereof.

In summary, in my opinion, S. 1914 is not in the best interest of either the U.S. taxpayer, or our U.S. foreign policy, as it has outlived its usefulness. I, therefore, urge my colleagues to vote against this legislation in order that we be able to take a more realistic and equitable approach for dealing with the economic and ideological world situation today.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I rise in support of the pending legislation, and I associate myself with the majority position of the committee.

There are a number of serious questions which have been addressed to this bill, and which I believe ought to be seriously considered, as we are doing here today. The answers to the questions should be in full on the record.

With respect to these questions raised by my distinguished colleague from New York (Mr. ROSENTHAL), I shall provide full and detailed responses in a minute, because I am satisfied there is a logical and convincing answer to each one of them.

But first, I should like to touch on some of the more serious points which I have seen raised in this discussion.

One was an issue raised by my distinguished colleague who just preceded me; namely, that in some way, as I understand it, by this legislation the Congress is giving up its authority and oversight over the proposed Board for International Broadcasting. I do not see the legislation that way at all.

This is an authorizing bill. The authorizing committee is still here. We will be here tomorrow and next year. We have a right to exercise whatever power we want to exercise over the funds provided to the Board and the two stations.

The appropriations for these broadcasting operations will have to be in the President's budget. The appropriation request will have to go through the normal appropriations route. The Appropriations Committee is certainly here, and that committee is not going to give up its oversight.

Furthermore, we have specifically provided in the bill that the General Accounting Office shall audit the accounts and the books of this independent board.

So it seems quite clear that the Congress in every way will maintain full oversight and control over this independent board.

The next question, it seems to me, is whether or not it is in our national interest to continue Radio Free Europe and Radio Liberty in this new framework. Well, free communication and exchange of ideas ought to be a two-way street.

Unfortunately, it is not. We all know that. One of the things that ties one of our hands behind our back, for example, is that if any event transpires which the Soviets or anybody else in this same position wants to make available to the people of the United States, that idea is disseminated without any difficulty to the entire population of the United States in just about the time it takes for a person to snap his fingers.

Let us go back to look the other way, to see how that part works. Let us assume for a moment that we did not have Radio Free Europe and did not have Radio Liberty, and we just depended on the normal sources of information to disseminate what is going on, without even trying to propagandize anybody. The answer is that the door to our message is absolutely closed unless the closed society decides to open the door and let the information in.

If these two radio stations did not do a thing besides simply reciting the facts that ordinary people ought to have about the events of the day, to help them make up their minds as to what they are, what they are doing and what their government is doing, this would be serving a useful purpose.

When we add what the distinguished gentleman from New York pointed out in the two specific cases with respect to the Jews in Russia and the Polish uprising, we can see the tremendous potential which is here not only in the interests of our own people in the United States but also in the interests of freedom and liberty behind the Iron Curtain.

To move to another point: to say that these radio operations are not worthwhile, that they are minimal in their effect, raises a question: Why do the Russians spend \$200 million or \$300 million jamming these broadcasts, if they do not mean anything to anybody?

The fact is that we have been wise enough now to make the funding of these operations public, and we have been wise enough to take the label of the "Cold War" off of them, and wise enough to walk the delicate line of making information available without getting the governments overly excited.

It seems to me that under those circumstances, the small amount that we have been putting into these organizations out on top of the table is well worth it in our national interest.

Now, Mr. Chairman, one of our colleagues suggested that Radio Free Europe and Radio Liberty are not necessary because our Armed Forces Network in Europe can do the job. This is simply a misstatement of the facts. The military radios broadcast in English to our troops. But RFE and RL operate around the clock in 24 different languages broadcasting to countries and areas which our military communications media do not begin to touch.

As one drives through Germany, one cannot switch a dial without hearing a station broadcasting in English; one is not sure whether he is in Brooklyn or in Germany, they have that many radio stations. But that is an entirely different proposition. It involves broadcasting

to U.S. Armed Forces abroad. But insofar as the bill S. 1914 is concerned, we are dealing with a very difficult question of providing open communications in societies which basically are closed.

So, Mr. Chairman, it seems to me that the arguments made in opposition to this bill, while they are well-intentioned and certainly seriously conceived, fall very short of any mark which they seek to find.

At this point, Mr. Chairman, I would like to address myself to the 20 questions posed by the gentleman from New York (Mr. ROSENTHAL) and try to answer each and every one of them.

The answers to his questions are as follows:

*Question 1. Who in this world will believe that these radio stations operate in any way "like a free press" . . . with "professional independence" (as the Eisenhower Commission maintains in its report) when they are financed principally and directly by the U.S. Government?*

Answer. The Eisenhower Commission concluded that funding of RFE and RL by the U.S. Government has not damaged their credibility. The fact that the Soviet Union spends millions of dollars in efforts to "jam" the stations is an indication that the regime believes too many Soviet citizens listen to the stations and believe what they hear.

Former Ambassador to Poland, John Gronouski, made this statement during the Committee hearing:

"It (RFE) has always been supported by the Federal Government, sometimes more covertly than others, but somehow it has developed an independence within that frame and a credibility with its listeners."

Howland Sargeant, a former Director of the Voice of America and presently President of Radio Liberty, also noted in hearings before our committee:

"Being involved in international communications for a generation or so, I have come to the conclusion, which seems to be fairly well supported by the leading academic specialists, that the source of the information in the long run is not determinative of the attitude of the receiver. This means that if you listen to a radio . . . if the radio proves to give you reliable information that is important to you, you don't care where it is located . . ."

*Question 2. Why should the American taxpayer supply \$50 million or more annually for the foreseeable future for two private organizations which are run principally by non-Americans operating in foreign countries to send their views into other foreign countries?*

Answer. The management of the stations and policy direction are in the hands of American citizens. The Boards of Directors of both radios, which set policy, are composed exclusively of prominent Americans such as General Lucius Clay, Ambassador Robert Murphy, etc. The presidents and the division, feature and research heads of both stations are Americans.

Non-Americans are employed in carrying out, not setting, broadcast policy.

FY 1973 statistics show that:

RFE employs 337 U.S. citizens out of an employee total of 1,541.

RL employs 195 U.S. citizens out of an employee total of 877.

Non-Americans are employed primarily in translation work. There are simply not enough Americans with the specialized linguistic capabilities to do that job. RL, for instance, broadcasts to the Soviet Union in 18 distinct languages.

*Question 3. Do the American people believe they have such a monopoly on wisdom and virtue in the world community that*

*they should finance "truth" broadcasts on the internal problems of Eastern European countries?*

Answer. No one argues that the United States has a monopoly on the truth. We do, however, have a free press and free radio, which report extensively on what is happening in this country. If the peoples of the Soviet Union and Eastern Europe also had such sources of information, there would be no need for Radio Free Europe or Radio Liberty.

The people of most countries want peace, freedom and a better life. Not all governments, however, want the same things. Governments, generally, want to stay in power. To do this, they sometimes keep the truth away from the people, accuse other countries of preparing for war—even start wars.

It is in the interest of peace, therefore, that the people of all countries have as much information as possible—both about what is going on in their own countries, and abroad. This helps to restrain some governments from following policies which could lead to war.

As the Eisenhower Commission concluded: ". . . It is clear that a people uninformed or misinformed is a danger to itself and a potential danger to its neighbors. Thus, a precondition for world peace is international freedom of information."

*Question 4. Would the Congress grant \$50 million to any other board to be channeled to private groups with no guidelines for spending the money, no effective oversight procedure and no description of the public goals to be gained through this public expenditure?*

Answer. Funds provided to Radio Free Europe and Radio Liberty are subject to Federal control. They are spent in accordance with policy approved by both the Congress and the Executive Branch. The way in which these funds are spent is also reviewed by the Federal Government. Only two years ago, the General Accounting Office audited the operations of the two stations.

The fact that Federal funds are provided to corporations which have private or semi-private status is not new. Each year, millions of dollars in appropriated funds goes to private corporations. In all instances, however, these funds are channeled through a government agency.

As Dr. Eisenhower pointed out during the committee's hearings:

". . . I am certainly not one to remind you that Congress never appropriates directly to a private corporation. It always appropriates to a public agency which it can control through many processes, and that executive agency then makes grants to private agencies. This is common practice in the National Science Foundation, the National Institutes of Health, the Defense Department, and others in making grants to universities, private research agencies and even industry."

*Question 5. What officials, responsible to our government and with proper resources for the task, will supervise the expenditure of these public funds which will be spent in foreign countries for activities directed into other foreign countries?*

Answer. Members of the Board for International Broadcasting will be responsible both to the President and to Congress under this legislation to ensure that the radios' operations are not "inconsistent" with U.S. foreign policy objectives. The Board is also responsible for conducting studies and making certain that the money appropriated is effectively spent for the purposes Congress intended.

Sec. 5(a) of the bill requires that both radios keep records which "fully disclose the amount and disposition of assistance provided under this Act," the total cost of the programs, etc. Moreover, the Board and the Comptroller General of the U.S. or any

of their duly authorized representatives "shall have access for purposes of audit and examination to any books, documents, papers and records" of the radios.

**Question 6.** Should the official foreign policy agencies of our government, especially the Department of State, be excluded from an advisory or supervisory role over these stations which broadcast controversial information on the internal affairs of our principal foreign adversary?

Answer. The Department of State does set foreign policy guidelines within which the stations are required to operate. The "internal policy guidelines" of both RFE and RL are set forth in detail on pages 83-91 of the Eisenhower Commission report. It will be up to the Boards of Directors of RFE and RL, and the Board for International Broadcasting which oversees them, to ensure that these policy guidelines are followed. Programming within these guidelines is carried out independently.

**Question 7.** Would we believe the Soviet Union if it said that its financing of "private" radio stations beamed to the United States about American domestic affairs was compatible with détente?

Answer. The Soviet Union does presently finance "private" radio stations which conduct shortwave broadcasts to the United States. Such broadcasts from Eastern Europe and the Soviet Union to North America total about 250 hours weekly, of which 184 hours are in English and the remainder in a variety of European languages used by ethnic groups in the U.S. and Canada.

Secretary Brezhnev has, in fact, called for an ideological offensive abroad during a period of détente. Apparently the Russians find nothing inconsistent in this procedure.

Apparently—also—these Soviet broadcasts to the U.S. and Canada have not inhibited or impeded the Nixon administration in its search for détente.

**Question 8.** If the Soviet Union financed the broadcast into the United States of the views of deserters and draft resisters would we accept the Soviet explanation that they sought only to impart information and not to interfere with our domestic affairs?

Answer. The two radio stations—RFE and RL—are not broadcasting the "views" of defectors or emigres from the Soviet Union and Eastern Europe. They broadcast news—much of it news about what is happening in those countries. In the process, of course, they do report on the trials of Soviet intellectuals—on the persecution of Soviet Jews—and other subjects.

For many years, it has been the practice of many Members of Congress to sponsor bills and resolutions which deal with internal affairs of the Soviet Union and Eastern Europe. These resolutions have condemned denial of human rights, oppression of different religions, discrimination against particular groups, and so on.

In this Congress, many Members have introduced legislation condemning persecution of Soviet Jews.

Also, some 285 Congressmen have cosponsored bills which would deny the Soviet Union "most-favored nation treatment" if internal emigration policy discriminates against a particular group of Soviet citizens.

**Question 9.** Should the Congress continue to finance both official overseas radio broadcasts of the Voice of America and "unofficial" broadcasts of these stations with a duplication of function, facilities and personnel?

Answer. The roles of RFE and RL are quite different than the role of the Voice of America (VOA). VOA is the radio arm of the U.S. Information Agency and is the official voice of the U.S. government. Its primary function is to report on U.S. life and events and to interpret and explain U.S. policy.

RFE and RL provide a service that is made necessary by virtue of heavy censorship within the Iron Curtain countries. A major

function of these radios is to concentrate on "internal" reporting of domestic and bloc-wide activities which official broadcasters, like VOA, are not equipped to undertake. RFE, for instance, uses 80 frequencies assigned to it by the German government. If RFE relinquished these frequencies, it is doubtful that they could be taken over by VOA—even if VOA were prepared to undertake this assignment. Thus there is little "functional duplication" involved.

The Eisenhower Commission in its report, noted that "while functional integration with the Voice of America would undermine the effectiveness of these stations as well as of VOA, this does not preclude the possibility of their joint use of transmitting facilities and locations" . . . For this reason the Commission recommended that a "comprehensive study of all U.S. international radio broadcasting facilities be undertaken at the earliest possible date."

The Foreign Affairs Committee, in its report, urged that the Board assign this study a high priority and report on its findings "prior to consideration by Congress of any further authorizations."

**Question 10.** Can Congress convince itself, and its constituents, that \$56 million in public funds for the Voice of America constitutes "official" international broadcasting while another \$50 million in public funds for these two stations constitutes "free and independent" broadcasting?

Answer. The U.S. Government does not always use a single instrument to accomplish a particular objective. Frequently, several instruments have to be used—each tailored to do a different part of a single job.

In the military, we use different services, different kinds of tanks, different ships and planes.

In the health field, appropriated funds support different research institutes—each dealing with a different aspect of the overall health problem.

In agriculture, we have different programs for different crops.

As noted in the answer to question No. 9, the roles of the Voice of America and of RFE and RL are quite different.

Yet both of these operations are designed to support one foreign policy objective: to promote our national security and well-being, and peace in the world.

The experts who have studied RFE and RL conclude that these stations contribute to that foreign policy objective. This view is supported by an overwhelming majority of editorial opinion both in the U.S. and in Western Europe.

**Question 11.** If these stations are performing such important functions why do West European governments refuse to contribute to their operation?

Answer. The West European governments have not refused to contribute to the radios' operations. They have, in effect, provided considerable indirect support by granting them the use of various radio frequencies, by leasing various facilities, and by allowing them to operate on their soil.

The Eisenhower Commission, however, has recommended against direct public support of broadcasting operations by European governments. This recommendation appears on page 4 of the Commission's report. It says:

"Radio Free Europe and Radio Liberty have from their beginnings been essentially American undertakings. Although many West European governments and leaders have widely endorsed the broadcasts of the two radios, direct public support of broadcast operations by European governments could lead to confusion in operational policies . . . The Commission, therefore, believes that the stations must continue to be financed mainly by United States appropriated funds."

At the same time, there is no reason why the European governments should not contribute to the research activities of the two

stations. The cost of research which benefits all should be shared by all. We are hopeful that the Europeans will contribute to this item.

**Question 12.** Why do private contributors in either Europe or the United States fail to provide more than token financial support for these stations?

Answer. In most instances, private contributions are received as a result of fund drives or "campaigns". Such campaigns have been conducted in the U.S. almost exclusively in behalf of Radio Free Europe. During the period 1951 thru 1972, private contributions to RFE have amounted to \$49 million—or 17.7% of RFE's total operational expenditures.

In Europe, a committee to raise corporate and private contributions to the radios has just been established under the direction of Dr. J. H. van Roijen, the new chairman of the West European Advisory Committee on the Free Flow of Information. Prospects for receiving large sums through this device are not, however, very favorable. Unlike U.S. corporations or foundations, European private institutions receive no tax deductions or benefits from such contributions and therefore the incentive to give is correspondingly reduced.

**Question 13.** If broadcasting "internal" news to Eastern European countries is important enough to negate or at least diminish the trend toward détente, why do none of our West European allies undertake such broadcasting on their international stations? Why is the United States the only Western country involved in such broadcasting?

Answer. The answer is primarily a historical one: The United States began these radio operations in the early fifties, when it was in a financial position to do so and the European governments were in the process of recovering from World War II. Since then, these stations developed in experience and expertise and dominated this aspect of international broadcasting. It would seem to make little sense for the European radios to duplicate this activity and compete with what is already being done—and being done well—by RFE and RL.

**Question 14.** If it is proper today for one government to finance the broadcast of views of emigres to their country of origin, why did we use secret CIA funds to finance the stations for nearly 20 years?

Answer. Covert government funding was a device used by both sides, the Soviet bloc and the United States, since the beginning of the Cold War. This fact is now known and recognized both in Eastern Europe and in the West.

Since June 30, 1971, however, these stations have been funded openly—under the regular authorization and appropriation processes of Congress. Many of the station's proponents in the Congress welcomed this development on the assumption that if these stations had merit they would be continued. This is the question now before the Congress—not their historical origin, but their present usefulness in an era of détente.

**Question 15.** If Radio Free Europe and Radio Liberty are proper functions for official U.S. government financing, why not establish a Radio Free China, Radio Free Greece, or Radio Free Brazil? If we are truly concerned about the lack of information within other countries, should we not try to do a thorough job in every country where such deficiencies in news exist?

Answer. The answer to this question was provided by Dr. Milton Eisenhower during our committee hearings:

" . . . After all, we are talking here about the two great power centers of the world. I am sure, sir, that we all agree that if we can reach an accommodation to bring about détente with the other great power center, we would have set the stage for a new period in history. I would have no objection . . . if we

wanted to set up a radio to broadcast to Spain. The Soviet Union has a clandestine station directed exclusively to Spain, it has another directed to Iran, another to Greece. It would be all right if we wanted to spend the money, but we think RFE and RL broadcasts are so imperative that we don't want to waste any of the resources we need to run these two . . ."

In other words, it is a question of priorities. Moderating Soviet policies is certainly of overriding importance in an age of potential nuclear war.

*Question 16. Why should the United States increase its balance-of-payments deficits (and help Europeans increase their surpluses) by sending another \$50 million overseas each year, principally to West Germany where the dollar has already declined by about 30% in value since January 1973?*

Answer. The combined cost of these two stations is a small fraction of the money we spend each year to promote the security of our country, and to prevent any large-scale war. It amounts to the cost of producing four F-14 planes.

If these stations contribute to the achievement of our foreign policy objectives—and our Government believes that they do—then we should be willing to pay the cost of operating them.

The whole point is that these stations serve U.S. foreign policy interests—not the interests of the Soviet Union or of Eastern Europe.

To eliminate them today could damage our ability to deal with a very complex, and very difficult, problem that is still with us.

*Question 17. Why should U.S. public funds pay the salaries of over 2400 workers, largely non-Americans, living overseas at an average salary of over \$10,000 each, when we have a sizeable unemployment problem at home?*

Answer. The question again should be: Are these radio operations worthwhile and is the cost justified? If so, the rest follows: It would cost infinitely more to beam these broadcasts from the United States. In addition, technically such a proposition would be unfeasible.

Again, if Americans could be found who are fluent in such languages as those of the North Caucasian language groups—for example, the Tartar-Bashkir or the Turkestan group—they certainly would have been hired long ago.

*Question 18. Why should Congress authorize these millions of dollars to support anti-government broadcasts to the Soviet Union in a year following one in which we sold one-quarter of our grain crop to that government at bargain prices?*

Answer. It could be argued that one of the reasons such a grain deal was concluded in the first place was the pressures brought to bear by the Soviet people on their own Government for more of the "good things in life"—for more consumer products.

This kind of pressure builds up when Soviet citizens are aware of conditions in their own country and the rest of the world—when they realize how much of the Soviet GNP is devoted to defense vs. consumer goods. It is Radio Liberty's mission to inform them and allow them to draw their own conclusions.

In addition, just because we sold wheat to the Soviet Union does not mean that our relations with that country are now on a solid, peaceful basis. We want them to be friendly and peaceful—and we are working in that direction. But, at the same time, we are not yet ready to abolish NATO, to dismantle our Strategic Force, or to cut our Defense appropriations in half.

The same reasoning applies today to Radio Free Europe and Radio Liberty. They are still needed.

*Question 19. Does anyone have any reliable information about whether these stations are worthwhile operations, in proportion to their costs, except as they benefit several thousand expatriates who run them?*

Answer. The committee report reviews the evidence and concludes that these radio operations are worthwhile. It points out:

(a) *RFE*: RFE's own surveys of East European listening habits indicate a total radio audience of more than 30 million people, on one or more times per month. This represents 50 per cent of the over-14 population in the five listening areas or countries. RFE's opinion-sampling methods have been examined and endorsed by outside specialists, such as Oliver Quayle Co. (October 1970) and by the Library of Congress' Congressional Research Service (March 1972).

(b) *RL*: Until recently, the task of evaluating RL's effectiveness was more difficult than is the case with RFE. Soviet citizens travel abroad much less frequently than do other Eastern Europeans and their movements are more likely to be watched by the Soviet authorities.

Two recent studies have been conducted which provide more information on this subject than has been previously available:

One study was conducted by a polling organization which did not know for whom the study was made. Questions were asked of Soviet citizens (*not emigres*) about their listening habits. The study found that about 70% of all Soviet citizens listen to foreign broadcasts. (There are about 34 million shortwave sets in the USSR). About 6 out of 10 of them actually were listeners to Radio Liberty. Of those sampled, 40% were members of the Communist Party.

Another recent independent study has uncovered evidence of RL's listener appeal vis-a-vis Soviet domestic broadcasts, which is based almost entirely on polls conducted by the Soviets themselves. A summary statement of these findings has been included in the hearings record.

These findings seem to indicate that funds needed to support these stations have produced significant results.

*Question 20. Would anyone today consider establishing Radio Free Europe and Radio Liberty if they did not already exist?*

Answer. Maybe not. But we would face the same kind of an issue with our farm program, with programs in support of education, and with many other undertakings financed with Federal funds.

Yet, very few people would argue that we abolish all our programs—simply because times have changed since they were initiated.

The basic point here is that RFE and RL are still useful—that they continue to do a job in support of our foreign policy objectives.

Moreover, there is no one else who can do that job today.

As Ambassador Gronouski pointed out:

"I think one has to realize that unique institutions are built over years. You could not recreate them if you tried it. I don't think you could recreate Radio Free Europe if you abolished it and tried to start over. It has grown over 20, 30 years, and it has developed a character of its own."

**Mr. MAILLIARD.** Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

**Mr. DERWINSKI.** Mr. Chairman, I have been somewhat surprised at the concern expressed by some of my colleagues over the fact that Radio Free Europe and Radio Liberty allegedly employ non-American citizens in a technical capacity overseas. I have checked on this matter and have uncovered the rather unsurprising information that of an employee total of 1,541—Radio Free Europe employs 337 U.S. citizens and 1,204 non-Americans; of an employee total of 877, Radio Liberty employs 195 Americans and 682 non-Americans.

Of course these critics fail to mention that the Department of Defense currently employs over 153,000 non-Americans around the world, the Department of State employs some 5,000 and the Agency for International Development around 8,000.

The reason these non-Americans are employed by the radio, is that special language skills are needed in translating material into a variety of esoteric languages. Radio Liberty, for instance, broadcasts in 18 separate and distinct languages. Let me read you a list of just some of these languages:

Russian, Ukrainian, Belorussian, Armenian, Azeri, Azeri, Adige, Avar, Chechen, Karachai, Ossetian Kazakh, Kirghiz, Tajik, Turkmen, Uzbek, Tartar-Bashkir, Uighur.

My only comment to those Members who are worried about the employment of non-Americans as translators—at a time when there is unemployment at home—is that if they have any qualified Avar, Chechen, Nzbek, or Tajik speaking constituents in their districts on the unemployment rolls—they should please let me know and I think I can get them a fair hearing with the Radio Liberty personnel people.

Mr. Chairman, in addition to the discussion of the technical factors in the bill and the overall merits of the need for this legislation, I wish to advise the House of recent developments involving the Soviet Union that, in my opinion, dramatize the continued value of Radio Free Europe and Radio Liberty.

Recently the Soviet Union stopped jamming Voice of America broadcasts in what appears to be a direct response to approval by the Congress of continued funding of Radio Free Europe and Radio Liberty, which also transmit to the Soviet Union.

I would like to reemphasize that, while the Voice of America is a Government operation, controlled by the U.S. Information Agency, Radio Free Europe and Radio Liberty, although funded in recent years by Congress after being supported by the Central Intelligence Agency, are privately sponsored. The Voice of America offers musical entertainment and a variety of reports as well as news, while Radio Free Europe and Radio Liberty concentrate more on developments within the Soviet Union and thus are of greater interest to Soviet political dissidents.

It is for this reason the Soviet authorities continue to try to jam receiving channels within their territory, even though they have relaxed similar efforts against the Voice of America. They evidently regard the blander diet of the Voice of America as the lesser of two evils, while viewing Radio Free Europe and Radio Liberty transmissions as more effective in penetrating the Iron Curtain. The decision by the Soviet authorities to lift the curtain on the Voice of America seems to be a concession to Congress' firmness in maintaining operations of the two more pointed stations, which regard themselves as adjuncts of "domestic" Soviet radio which is silent about topics of internal embarrassment.

I am certain that other motives gov-

erned the decision of the Soviet Union to stop jamming VOA broadcasts. One is that American and Western critics, who have long plugged for freer interchange of ideas with the Soviet Union and for lifting of restrictions on emigration and on a more liberal political expression, have made a dent on the thinking of the Soviet hierarchy.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I would vote for this legislation, although I am somewhat troubled by a number of the questions that have been raised by my colleague from New York (Mr. ROSENTHAL), and others.

I will vote for it primarily because I see no alternative at the present time to bring to the people of Eastern Europe the word, the news, about what is going on within those countries, for example, about statements being made by such courageous individuals as Professor Sakharov and author Solzhenitsyn and others.

It is imperative that this word gets to the people of Eastern Europe. I see no alternative for doing that now but by this legislation. However, I would call the attention of the committee to the fact that this is a 1-year authorization.

I greatly sympathize with the views that have been expressed that this should not be entirely a U.S.-financed operation.

Why should it be? Why should not the free nations of Western Europe come in on this in some form of international support?

I also sympathize with the suggestions of Mr. ROSENTHAL. If we do this with respect to the Soviet Union, it ought to be considered with respect to other countries. I have in mind, for example, the great majority of the people of South Africa, who are without news from the outside of what goes on in their country to a great degree.

During the next year I hope the administration will take steps to consider whether or not it is not possible to get support for this operation to make it more international than is now proposed and perhaps to consider other like operations where there are denials of human liberty around the world.

Mr. MAILLIARD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of S. 1914 which creates a Board for International Broadcasting and authorizes funds for the operation of Radio Free Europe and Radio Liberty during fiscal year 1974.

My views concerning the need for this legislation were strengthened by findings contained in the report "The Right to Know," issued by the Presidential Study Commission on International Radio Broadcasting chaired by Dr. Milton Eisenhower.

This document points out that prog-

ress toward relaxation of international tension will be the product of many influences. Principal among these, according to Dr. Eisenhower and his associates, is the free flow of ideas and information. "Without this free communication of information and ideas," states the report, "governments will strive to insulate themselves from the pressures for changes of policy and actions which an informed public opinion imposes on even the rigidly controlled societies in Eastern Europe."

It seems to me that these comments are especially appropriate in this period of détente. The Soviet leadership—fearful of the impact of the free flow of ideas and information—is seeking to control the expression of opinion at home while simultaneously expanding government-level contacts in trade and other areas abroad. It may be that at this particular moment Radio Free Europe and Radio Liberty can make their contribution to progress toward true détente as their broadcasts help to develop an informed citizenry that will communicate its desires and concerns to its government.

These stations, indeed, are doing a good job, broadcasting information with restraint and objectivity.

This is confirmed by Soviet Nobel Prize winner Aleksandr Solzhenitsyn. Last year he observed:

If we hear anything about events in this country, it's through them.

In a recent editorial, the Dayton Daily News, published in my district, noted several other significant contributions which these stations have made to Eastern European citizens' right to know.

Radio Liberty has countered other distortions that affect Soviet-American relations. Last year the Soviet press wrote only of U.S. aid to Israel. It took Radio Liberty to let the people know that the Russians were giving military aid to the Arab countries. Radio Liberty has been one of the few sources of information about the protests and plight of Soviet Jews.

When President Nixon gave his "address" to the Russians while he was in Moscow last year, the Soviet press censored some parts in their reports, so Radio Liberty filled in the information. The Russians weren't even told about U.S. grain sales to the Soviet Union until the radios mentioned it.

I urge approval of S. 1914 so that Radio Free Europe and Radio Liberty can continue to operate. As the Washington Post concluded in a September 17 editorial—

To cut and condemn two principal channels of communication . . . would be destructive as well as absurd.

Mr. MAILLIARD. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut (Mr. STEELE).

Mr. STEELE. Mr. Chairman, I rise in support of S. 1914 to authorize an appropriation of some \$50 million for fiscal year 1974 to support the operations of Radio Free Europe, Radio Liberty, and the Board for International Broadcasting.

Radio Free Europe and Radio Liberty are voices of freedom in Eastern Europe

and the Soviet Union; they are not government spokesmen but rather representatives of the independent free press. Since we in this country too often take the latter for granted, we often fail to realize the importance of the existence of such a service to captive nations.

While I have heard many apparently sophisticated arguments against the continuation of these radios, I believe there is one overriding consideration in this debate. And that is the fact that the service which these two radios perform is indispensable to the continuation of open communication between the people of the Soviet Union and the western democracies, and therefore essential to increasing detente between East and West and liberalization within the Soviet Union and the Soviet bloc countries.

But if these two radios are to perform their functions fully, it is essential that they also broadcast in the Baltic languages—Latvian, Estonian, and Lithuanian. This point was focused upon during the hearings held before the Foreign Affairs Committee in July and August. I emphasized the need for Baltic language broadcasts during those hearings and am gratified that the committee report includes a letter from Assistant Secretary of State Marshall Wright which assured Chairman MORGAN that the Department of State supports the initiation of Baltic language broadcasts by Radio Liberty "as soon as practicable." Assistant Secretary Wright expressed the view that—

Passage by the Congress this year of the proposed authorizing and appropriation legislation would provide the essential base of security and stability for Radio Liberty to reopen the question of such broadcast operations in its fiscal year 1975 budget presentation.

It is the expressed view of the committee that Baltic language broadcasts should be accorded a high priority and be included in the fiscal year 1975 budget presentation to Congress.

The plight of these nations too frequently goes unnoticed by the free world because of their small size. All three, however, have strong traditions of liberty and democracy, and their inability to achieve the right of self-determination represents one of the most tragic aspects of modern international relations. Any individual who is aware of the history of oppression in these countries and who appreciates the freedoms we possess cannot help feeling a sense of outrage at the consistent denial of similar freedoms to the peoples of this region.

Fifty-five years ago, Estonia declared her independence. During the 22 years of freedom that followed, Estonia was a prosperous and growing nation carving out her own destiny. She lost her independence with the advent of World War II when the Soviet Union signed the nonaggression pact with Germany.

Latvia, too, declared her independence in 1918 after more than two centuries of domination by the Russian empire. The newly formed state quickly became a model of democracy, its government functioning on true proportional repre-

sentation and free and open elections. In 1932, Latvia and the Soviet Union signed a treaty of nonaggression which absolutely forbade Russian intervention in Latvian affairs. Very shortly afterward, in blatant violation of their written promise, the Soviet Union began to undertake the active subversion of free Latvia, culminating in total domination by 1940.

That same year saw the forcible annexation of Lithuania to the Soviet Union. For a brief period between 1920 and 1940, Lithuania enjoyed political sovereignty. With the outbreak of World War II, however, she became one of the first countries to experience the fierce aggression of both Hitler and Stalin. From 1944 to 1952, anti-Soviet partisans struggled for independence, but their efforts were brutally crushed. Fifty thousand Lithuanians were lost during these 8 years of guerrilla warfare, and one-sixth of the population was deported during the Stalin regime. Still, the defiance of these courageous people has not been quelled. As recently as May 1972, continued violation of human rights and religious persecution resulted in three self-immolations by Lithuanian youths.

While it is eminently clear that acquiescence is not a Baltic characteristic, the intensive pressure of a consistent program of Russification over the past 30 years now threatens to destroy national culture and identity.

By providing the funds for Radio Liberty to broadcast beacons of freedom in the Baltic tongues, our country can at least help preserve their inextinguishable spirit of liberty and independence, while exerting pressure on the Soviet Government to liberalize its policies in these lands.

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

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

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the bill, S. 1914, and wish to associate myself with the remarks of the gentleman from Pennsylvania, the distinguished chairman of our Committee on Foreign Affairs. The views he has expressed accurately reflect the position adopted by the overwhelming majority of our committee, who voted on this important issue.

Mr. Chairman, I believe that Radio Free Europe and Radio Liberty serve the foreign policy interests of the United States. I believe they contribute positively toward a lessening of East-West tensions; and I think all the evidence at our disposal—including three major studies of these radios' operations over the past 2 years—clearly supports this conclusion.

At the risk of repeating some of the points already raised in this connection, I should like, at this time, to focus attention on certain popular misconceptions or allegations which have been widely circulated among Members of this body in recent days. Sometimes repetition is necessary to set the record

straight. I shall confine my remarks to a few of the more prominent charges which have been leveled at these broadcast operations:

First of all, we have heard the charge that these radios duplicate the work of the Voice of America and are therefore wasteful and unnecessary. Nothing could be farther from the truth.

There is a very basic difference between the role of VOA and that of RFE and RL. VOA is the radio arm of the U.S. Information Agency and is the official voice of the U.S. Government. Its primary function is to report on U.S. life and events and to interpret and explain U.S. policy.

RFE and RL, on the other hand, provide a service that is made necessary by virtue of heavy censorship within the iron curtain countries. A major function of these radios is to concentrate on "internal" reporting of domestic and bloc-wide activities which official broadcasters, like VOA, are not prepared or equipped to undertake. The emphasis is on factual news reporting about what is happening in the Soviet Union and Eastern Europe—not on propaganda, as is sometimes inferred.

Even if the Voice of America were prepared or inclined to absorb the functions of RFE and RL—which it is not—it is highly doubtful that this could be accomplished. RFE, for instance, uses 80 frequencies assigned to it by the German Government. If RFE, in fact, relinquished these frequencies, they would not be automatically reassigned to VOA—in all probability, they would merely be lost and the programs would be terminated. Thus, from the technical standpoint alone, the argument that VOA could take over these specialized radio operations is fallacious.

Second, it has been alleged that RFE and RL are run principally by foreigners operating in foreign countries to send their views—I repeat, their views—into other foreign countries. This is pure fantasy—it is simply not true.

Radio Free Europe and Radio Liberty are American corporations. They were incorporated in New York and Delaware, respectively. The management of the stations and their policy direction are firmly in the hands of American citizens. The boards of directors of both radios, which set policy, are composed exclusively of American citizens—prominent American citizens, like Gen. Lucius Clay, former Ambassador Murphy and other distinguished individuals. If there is no objection, Mr. Chairman, I should like at this time to include in the RECORD a full list of RFE's Board of Directors and RL's Board of Trustees. (See alternate lists.)

These directors and trustees—together with the seven-member Board for International Broadcasting to be established by this legislation—have the responsibility of insuring that these two radios operate in a manner which is not inconsistent with broad U.S. foreign policy objectives. Moreover, section 5(a) of the bill requires that both radios keep records which—

fully disclose the amount and disposition of assistance provided under this act.

Both the Board for International Broadcasting and the Comptroller General of the United States are guaranteed access to these records for purposes of review and audit. Thus congressional, as well as executive, control over these expenditures is issued.

Mr. Chairman, I want to reemphasize Chairman MORGAN's statement, that not only the policy direction, but also the management of these stations, is carried out by Americans, not by foreigners or emigres. RFE employs 337 U.S. citizens out of an employee total of 1,541. Of these American employees, 110 are stationed in the United States and 227 are stationed abroad, primarily in Munich. Radio Liberty employs 195 U.S. citizens out of an employee total of 877—88 of whom are headquartered in New York and 97 in Germany, 4 in Spain, 4 in Paris, 1 in Taipei, and 1 in London. All of the divisional heads of these stations are Americans: the heads of the feature, policy, research and news departments are Americans. Let us face it: this is an American, not an emigre, operation.

Non-Americans are, of course, employed in a variety of technical capacities, particularly in translation and script-writing work, where their linguistic skills are at a premium. Radio Free Europe broadcasts a daily total of 78 program hours in six languages. Radio Liberty broadcasts around the clock in 18 distinct languages spoken within the Soviet Union. There simply are not enough Americans to do the job. Moreover, non-Americans are employed at wage scales which are considerably less than would be required if Americans were to fulfill these same functions. The hiring of non-Americans to perform such duties abroad is, of course, nothing new. The Defense Department alone currently employs some 153,000 such individuals worldwide. By contrast, RFE employs 1,204 non-Americans, and RL, 682—These figures are as of January 1, 1973—so much for the "foreigner" label.

Another question which has been asked—and it is a legitimate one—is whether we have any evidence that anyone actually listens to these stations. The answer, which is provided in our committee's report is: Yes, we have a surprising amount of information in this regard—some of it of very recent origin:

(A) *RFE.* RFE's own surveys of East European listening habits indicate a total radio audience of more than 30 million people (one or more times per month). This represents 50 percent of the population over 14 years in age in the five listening areas or countries. Moreover, RFE's opinion-sampling methods have been independently examined and endorsed by outside specialists, such as the Oliver Quayle Co. (October 1970) and by the Library of Congress' Congressional Research Service (March 1972).

(B) *RL.* Until recently, the task of evaluating RL's effectiveness was more difficult than is the case with RFE. This is because Soviet citizens travel abroad much less frequently than do other Eastern Europeans and their movements are more likely to be watched by the Soviet authorities.

Two recent studies have been conducted, however, which provide more information on

this subject than has been currently available:

One study conducted by a *polling organization which did not know for whom the study was made*. Questions were asked of Soviet citizens (not emigres) about their listening habits. It found that 70% of all Soviet citizens listen to foreign broadcasts (there are about 34 million short wave sets in the USSR). About 6 out of 10 of them were actually listeners to Radio Liberty.

Another recent independent study has uncovered evidence of RL's listener appeal vis-a-vis Soviet domestic broadcasts, which is based *almost entirely on polls conducted by the Soviet Union itself*. A summary statement of these findings is included in our Committee's hearing record.

These findings seem to confirm that RFE and RL are listened to by large numbers of people—many of whom, I might add, are Communist Party officials. The very fact that the Soviet Union spends approximately \$200 to \$300 million each year to jam these stations is further evidence of this fact—if further evidence is needed.

Finally, Mr. Chairman, there is the question as to whether these broadcasts inhibit or are in some way inconsistent with the official U.S. policy of seeking a lessening of East-West tensions. My own response is that those experts who have considered this problem in considerable depth—including researchers from the Library of Congress and more recently by Members of the Eisenhower commission, have concluded that these radios foster a climate of détente and do not detract from it. This view is overwhelmingly endorsed by those experts in the Department of State who have primary responsibility for implementing this policy of détente.

We must also recognize, Mr. Chairman, that the Soviet Union is the largest single international broadcaster in the world today. Together with the Communist nations of Eastern Europe, it broadcasts up to 250 hours weekly to the United States and Canada. Secretary Brezhnev has, in fact, called for an ideological offensive abroad during an era of détente. The Russians, apparently, find no inconsistency here. Only some Members of Congress harbor such reservations.

I might just add that neither the operations of Radio Free Europe and Radio Liberty nor these Soviet broadcasts to North America seem to have inhibited or impeded the Nixon administration in its search for détente. They have not hindered the Russians either.

The real question we must ask ourselves, Mr. Chairman, is whether the cost of four F-14 planes, which is slightly more than the combined cost of these operations for 1 year, is worthwhile—whether the continued functioning of these stations, which impart information, not propaganda, to peoples otherwise deprived of it, is of value to the United States and furthers the national interest. I think the answer is a resounding yes, and I urge the passage of S. 1914, as reported by the Committee on Foreign Affairs.

#### RADIO FREE EUROPE, BOARDS OF DIRECTORS

Mr. Eugene N. Beesley, President, Lilly Endowment, Inc., 2801 North Meridian Street, Indianapolis, Indiana, 46208.

General Lucius D. Clay, Lehman Brothers, One William Street, New York, New York 10004.

Mr. Stewart S. Cort, Chairman, Bethlehem Steel Corporation, 701 East Third Street, Bethlehem, Pennsylvania 18016.

Mr. Winthrop Murray Crane, 3rd, Vice President and Secretary, Crane & Company, Inc., Dalton, Massachusetts 01226.

The Honorable Eli Whitney Debevoise, Debevoise, Plimpton, Lyons & Gates, 299 Park Avenue, New York, New York 10017.

Mr. William P. Durkee, President, Free Europe, Inc., 2 Park Avenue, New York, New York 10016.

The Honorable Ernest A. Gross, Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, New York 10005.

Mr. Michael L. Haider, Room 1250, One Rockefeller Plaza, New York, New York 10020.

Mr. John D. Harper, Chairman, Aluminum Company of America, 1501 Alcoa Building, Pittsburgh, Pennsylvania 15219.

Mr. Roy E. Larsen, Vice Chairman, Time, Inc., Time & Life Building, Rockefeller Center, New York, New York 10020.

Mr. Donald H. McGannon, Chairman, Westinghouse Broadcasting Company, Inc., 90 Park Avenue, New York, New York 10016.

The Honorable Robert D. Murphy, Chairman, Corning Glass International, 717 Fifth Avenue, New York, New York 10022.

Dr. Frank Stanton, 30 West 54th Street, Suite 1801, New York, New York 10019.

The Honorable Theodore C. Streibert, Moore's Hill Road, Laurel Hollow, Syosset, New York 11791.

Mr. H. Gregory Thomas, Gorongosa Farm, Box 250, Route #1, Masaryktown, Florida 33512.

Mr. Leslie B. Worthington, Director, United States Steel Corporation, 525 William Penn Place, Pittsburgh, Pennsylvania 15230.

#### RADIO LIBERTY, BOARD OF TRUSTEES

Mrs. Oscar Ahlgren, Former President, General Federation of Women's Clubs.

John R. Burton, Chairman of the Board, National Bank of Far Rockaway.

J. Peter Grace, President, W. R. Grace & Company.

Allen Grover, Former Vice President, Time-Life, Inc.

Hon. John S. Hayes, Communications Specialist; former U.S. Ambassador to Switzerland.

H. J. Heinz, II, Chairman of the Board, H. J. Heinz Company.

Isaac Don Levine, Author and Specialist on Soviet affairs.

Howland H. Sargeant, President, Radio Liberty Committee; former Assistant Secretary of State for Public Affairs.

Whitney N. Seymour, Chairman of the Board, Carnegie Endowment; former President, American Bar Association.

John W. Studebaker, Former U.S. Commissioner of Education.

Reginald T. Townsend, Former Vice President, Radio Liberty Committee.

William L. White, Editor and publisher, *Emporia Gazette*.

Philip L. Willkie, Attorney.

(Note: Former Presidents Harry S. Truman, Dwight D. Eisenhower and Herbert Hoover all served as Honorary Chairmen until their deaths.)

Mr. ANNUNZIO. Mr. Chairman, I believe that one of the main questions raised by S. 1914, which calls for continued funding and future organization of Radio Free Europe and Radio Liberty, is whether or not the American people should have any concern for the future of the various nations in Eastern Europe.

If, indeed, the answer is "no"—that we should have no concern—then our response to S. 1914 should also be "no." Logically, we should stop funding, termi-

nate broadcasting to Eastern Europe, and dismantle Radio Free Europe and Radio Liberty.

But, if the answer is "yes"—which I believe it should be—then we should give full support to S. 1914, restructure the radios along the lines recommended by the Eisenhower Commission and provided for in this bill, and continue funding on a permanent basis.

I firmly believe that we should have a continuing concern for all the peoples of Eastern Europe, not only for humanitarian reasons and for reasons that spring from the idealism of the American democratic spirit, but also from the practical consideration that we cannot disassociate our future destiny from that of Europe, East or West. What happens in Eastern Europe is our concern; it does affect our basic security interests; and we dare not destroy the instrument which can contribute most to those positive forces within Eastern Europe that hold the promise of a more genuine peaceful coexistence between East and West.

That instrument is Radio Free Europe and Radio Liberty. As the voices of a free press, they transmit information to the Poles and Rumanians, the Czechs and Slovaks, Russians and Ukrainians, and all other peoples of the Soviet Union and Eastern Europe, that is denied them in their own media. With this information giving various points of view on developments in the world and their own domestic affairs, they can analyze for themselves the problems facing their country and, like ourselves who enjoy the benefits of a free press, judge their nation's interests accordingly. In the course of time, a "public opinion" can take shape within these countries which must be taken into account by the decisionmakers and leaders of those countries.

I want to point out that Radio Liberty had originally planned to begin broadcasts in fiscal year 1974 in the Baltic language—Latvian, Lithuanian, and Estonian—but "new project funds" were eliminated from the fiscal year 1974 budget by OMB. I strongly disagree with this action on the part of OMB, and I have, on many previous occasions in this Chamber, expressed my opposition to arbitrary impoundments of this kind. I am heartened, however, by the State Department's renewed indication of support for Radio Liberty broadcasts in the Baltic languages, and I do hope these broadcasts will be given the highest priority in the 1975 budget.

Certainly, so long as the Soviet Union continues harassment, persecution and deprivation of the peoples trapped behind the Iron Curtain and fails to recognize human needs, human dignity, and fundamental human rights, it is imperative that we keep open the lines of communication to these people. Radio Free Europe and Radio Liberty represent these lines of communication.

Mr. Chairman, a vote of "yes" for S. 1914 is a vote for the principle of a free press and for the cause of freedom. It is a vote for continuing our association with the people of Eastern Europe, and a vote for continuing with the important task that we share with all Europeans, namely, the task of creating a system of

European security based on a more genuine form of peaceful coexistence between East and West.

Mr. MCKINNEY. Mr. Chairman, in the simplest of terms, the issue before us today is that of communication—the essential ingredient in any people-to-people relationship. On an international level, with all due plaudits to the administration, it seems that the art of communication is currently reaching one of its highest levels in this century.

In general, a large majority of Americans applaud this emerging spirit of détente but there are those who would say that because of it, Radio Free Europe and Radio Liberty should be abolished for they represent embarrassing symbols of the cold war. With that I disagree. Optimistically, I would think that as basic forms of communication, their very existence would complement détente in the growing spirit of exchange in ideas and cultures. Regrettably, however, this spirit of cooperation is seemingly not shared in certain sections of Eastern Europe and I must urge full and continued funding of Radio Free Europe and Radio Liberty until all efforts to jam and interrupt broadcasts cease.

There are countless thousands of Eastern Europeans who depend on the radios for information and entertainment. I see no reason why they should be denied this, especially when certain powers that be would attempt to impede this free flow of communication. I would also like to commend the House Foreign Affairs Committee for the comprehensive bill its members have brought to the floor today. A key section of this measure clearly lifts Radio Free Europe and Radio Liberty out from under the control of the Central Intelligence Agency. I favor the concept which places the radios under the direction of a "Board for International Broadcasting" for I believe it will allow for a continuing assessment of the quality, effectiveness, and professional integrity of the on-air programming. I also feel that the Board, through its involvement, can be the best judge as to how the \$50 million authorized in the bill can be effectively utilized.

In all, if there is to be peace, the peoples of the world must understand one another and in my view, Radio Free Europe and Radio Liberty will serve as valuable tools in building that understanding.

Ms. ABZUG. Mr. Chairman, I rise in opposition to the continued funding of Radio Free Europe in the form embodied by S. 914. It seems to me that the facelift provided by a new board of directors does not address in any meaningful way, the major failings of Radio Free Europe and Radio Liberty, as they are now operated. One can make a moderate case that, with a portion of their work, they provide some needed research and news broadcasts. These activities could, however, be done elsewhere. Against this limited intellectual utility one must measure basic philosophic, financial, and organizational failings.

Radio Free Europe spokesmen claim they have kept up with the times and only advocate "liberalization" rather

than revolution. If this were the heart of the argument, we should at least be asking what "times" they are referring to. But what we have here is a country whose paranoia about outside agitators stretches from Kent State to Vietnam but which is busy pouring many millions of its own tax dollars into outside agitation of its own on the other side of the world. What would we say if the Russians ran a radio station from Cuba to teach us about pragmatic new socialism? The basic concept of Radio Free Europe is wrong. It ties potential dissidents to the West which makes them more vulnerable at home. And it violates basic components of national integrity.

Radio Free Europe is also a luxury we cannot afford to subsidize on an ever-increasing scale. Since it is based in Germany, much of the operation must be paid for in local currency. The German marks which are a large part of the cost will not go down in value. Radio Free Europe has also been putting off various plans for the modernization and expansion of facilities.

What was \$39 million last year and \$50 million for this fiscal year, will certainly be much more next year. Given our balance of payments problems, we cannot live on vague promises to look into the sharing of future costs. This is one of those small projects that sneaks by an uncaring Congress each year. The sum of these programs is directly related to the escalating cost of food and everything else. Is this really in the national interest?

Even worse than the element of luxury is the fact that we are yet again subsidizing directly a private enterprise. Neither Radio Free Europe nor Radio Liberty is an official arm of our foreign policy. It is instead a private business which we are paying in effect to articulate American foreign policy to Russia and Eastern Europe. How does this corporation distinguish between its own interests and American interests? Who is really represented?

Finally, it is equally sad to point out that we really do not have any idea what we get for the \$50 million. There is no congressional audit or oversight of either the programs or their results. Have we liberalized and educated more than we have perpetuated mutual distrust and delayed opportunities for détente? Who can say? Does the Congress give away \$50 million to any other program and then ignore it thereafter?

I would like to suggest that Radio Free Europe and Radio Liberty be abolished. Some of their resources and personnel could be absorbed by the Voice of America which could begin a redefinition of their function. At the same time Congress could set up a panel to review the ideological content of the broadcasting and set some basic guidelines. The whole process might even generate some badly needed new thinking about the nature and future of our foreign policy.

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

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Board for International Broadcasting Act of 1973".*

#### DECLARATION OF PURPOSES

SEC. 2. The Congress hereby finds and declares—

(1) that it is the policy of the United States to promote the right of freedom of opinion and expression, including the freedom "to seek, receive, and impart information and ideas through any media and regardless of frontiers," in accordance with article 19 of the Universal Declaration of Human Rights;

(2) that open communication of information and ideas among the peoples of the world contributes to international peace and stability, and that the promotion of such communication is in the interests of the United States;

(3) that Free Europe, Incorporated, and the Radio Liberty Committee, Incorporated (hereinafter referred to as Radio Free Europe and Radio Liberty), have demonstrated their effectiveness in furthering the open communication of information and ideas in Eastern Europe and the Union of Soviet Socialist Republics;

(4) that the continuation of Radio Free Europe and Radio Liberty as independent broadcast media, operating in a manner not inconsistent with the broad foreign policy objectives of the United States and in accordance with high professional standards, is in the national interest; and

(5) that in order to provide an effective instrumentality for the continuation of assistance to Radio Free Europe and Radio Liberty and to encourage a constructive dialog with the peoples of the Union of Soviet Socialist Republics and Eastern Europe, it is desirable to establish a Board for International Broadcasting.

#### ESTABLISHMENT AND ORGANIZATION

SEC. 3. (a) There is established a Board for International Broadcasting (hereinafter referred to as the "Board").

(b) (1) COMPOSITION OF BOARD.—The Board shall consist of seven members, two of whom shall be ex officio members. The President shall appoint, by and with the advice and consent of the Senate, five voting members, one of whom he shall designate as Chairman. Not more than three of the members of the Board appointed by the President shall be of the same political party. The chief operating executive of Radio Free Europe and the chief operating executive of Radio Liberty shall be ex officio members of the Board and shall participate in the activities of the Board, but shall not vote in the determinations of the Board.

(2) SELECTION.—Members of the Board appointed by the President shall be citizens of the United States who are not concurrently regular full-time employees of the United States Government. Such members shall be selected by the President from among Americans distinguished in the fields of foreign policy or mass communications.

(3) TERM OF OFFICE OF PRESIDENTIALLY APPROVED MEMBERS.—In appointing the initial voting members of the Board, the President shall designate three of the members appointed by him to serve for a term of three years and two members to serve for a term of two years. Thereafter, the term of office of each member of the Board so appointed shall be three years. The President shall appoint, by and with the advice and consent of the Senate, members to fill vacancies occurring prior to the expiration of a term, in which case the members so appointed shall serve for the remainder of such term. Any member whose term has expired may serve until

his successor has been appointed and qualified.

(4) TERM OF OFFICE OF EX OFFICIO MEMBERS.—Ex officio members of the Board shall serve on the Board during their terms of service as chief operating executive of Radio Free Europe or Radio Liberty.

(5) COMPENSATION.—Members of the Board appointed by the President shall, while attending meetings of the Board or while engaged in duties relating to such meetings or in other activities of the Board pursuant to this section, including traveltime, be entitled to receive compensation equal to the daily equivalent of the compensation prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code. While away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently. Ex officio members of the Board shall not be entitled to any compensation under this Act, but may be allowed travel expenses as provided in the preceding sentence.

#### FUNCTIONS

SEC. 4. (a) The Board is authorized:

(1) to make grants to Radio Free Europe and to Radio Liberty in order to carry out the purposes set forth in section 2 of this Act;

(2) to review and evaluate the mission and operation of Radio Free Europe and Radio Liberty, and to assess the quality, effectiveness, and professional integrity of their broadcasting within the context of the broad foreign policy objectives of the United States;

(3) to encourage the most efficient utilization of available resources by Radio Free Europe and Radio Liberty and to undertake, or request that Radio Free Europe or Radio Liberty undertake, such studies as may be necessary to identify areas in which the operations of Radio Free Europe and Radio Liberty may be made more efficient and economical;

(4) to develop and apply such financial procedures, and to make such audits of Radio Free Europe and Radio Liberty as the Board may determine are necessary, to assure that grants are applied in accordance with the purposes for which such grants are made;

(5) to develop and apply such evaluation procedures as the Board may determine are necessary to assure that grants are applied in a manner not inconsistent with the broad foreign policy objectives of the United States Government;

(6) to appoint such staff personnel as may be necessary, subject to the provisions of section 5, United States Code, governing appointments in the competitive service, and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(7) (A) to procure temporary and intermittent personal services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18; and

(B) to allow those providing such services, while away from their homes or their regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed;

(8) to report annually to the President and the Congress on or before the 30th day of October, summarizing the activities of the Board during the year ending the preceding June 30, and reviewing and evaluating the

operation of Radio Free Europe and Radio Liberty during such year; and

(9) to prescribe such regulations as the Board deems necessary to govern the manner in which its functions shall be carried out.

(b) In carrying out the foregoing functions, the Board shall bear in mind the necessity of maintaining the professional independence and integrity of Radio Free Europe and Radio Liberty.

#### RECORDS; AUDIT; CONTRIBUTORS

SEC. 5. (a) The Board shall require that Radio Free Europe and Radio Liberty keep records which fully disclose the amount and disposition of assistance provided under this Act, the total cost of the undertakings or programs in connection with which such assistance is given or used, that portion of the cost of the undertakings or programs supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Board and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of Radio Free Europe and Radio Liberty which, in the opinion of the Board or the Comptroller General, may be related or pertinent to the assistance provided under this Act.

(c) No grant may be made under this Act unless the radio to which the grant is to be made agrees to make available, and does make available, for public inspection, during normal business hours at its principal office in the United States, a complete list of every person and government making a contribution to that radio during the fiscal year preceding the making of the grant and the fiscal year in which the grant is to be made, the address of the person or government making the contribution, the amount of each such contribution, and the date the contribution was made.

#### ROLE OF THE SECRETARY OF STATE

SEC. 6. To assist the Board in carrying out its functions, the Secretary of State shall provide the Board with such information regarding the foreign policy of the United States as the Secretary may deem appropriate.

#### PUBLIC SUPPORT

SEC. 7. The Board is authorized to receive donations, bequests, devises, gifts, and other forms of contributions of cash, services, and other property, from persons, corporations, foundations, and all other groups and entities, both within the United States and abroad, and, pursuant to the Federal Property Administrative Services Act of 1949, as amended, to use, sell, or otherwise dispose of such property for the carrying out of its functions. For the purposes of sections 170, 2055, and 2522 of the Internal Revenue Code of 1954, as amended (26 U.S.C. 170, 2055, or 2522), the Board shall be deemed to be a corporation described in section 170(c)(2), 2055(a)(2), or 2522(a)(2) of the Code, as the case may be.

#### FINANCING AND IMPLEMENTATION

SEC. 8. (a) There are authorized to be appropriated, to remain available until expended, \$50,209,000 for fiscal year 1974. There are authorized to be appropriated for fiscal year 1974 such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law and for other non-discretionary costs.

(b) To allow for the orderly implementation of this Act, the Secretary of State is authorized to make grants to Radio Free Europe and to Radio Liberty under such terms and conditions as he deems appropriate for their continued operation until a majority of the voting members of the Board

have been appointed and qualified, and until funds authorized to be appropriated under this Act are available to the Board.

Mr. MORGAN (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 Pennsylvania?

There was no objection.

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

Mr. Chairman, we have heard three or four speakers here this afternoon speaking of the necessity for détente, a foreign word that has crept into common usage lately in the newspapers and in remarks in Congress. This bill calls for another \$50 million for 1 year's broadcasting, although there are several other groups engaged in this same business—the Voice of America, the armed services, and others. I wonder if we could someday speak of détente in terms of the taxpayers of this country, in terms of relaxing or slackening of the tensions and burdens on the taxpayers of the country. Does the gentleman from Pennsylvania suppose we could have a little détente with the taxpayers someday when it comes to foreign aid in all of its ramifications, including this?

I should like someday to find somebody in this field of foreign affairs who might be interested in the people who have to put up the money to pay the bills.

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

Mr. GROSS. I will be delighted to yield to the distinguished Chairman.

Mr. MORGAN. The gentleman from Iowa is a very active member of the Committee on Foreign Affairs. I am sure if he wants to put what he just said into action, since he has a great deal of respect of the members of the Committee on Foreign Affairs, that they will listen to his arguments.

Mr. GROSS. The House just voted to provide millions of dollars for the arts and humanities. Somewhere, somehow, we are going to have to save a few million dollars to feed that rathole and this appears to be a good time and place to do it.

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

Mr. GROSS. I do yield with some hesitation because I wonder if the gentleman from Illinois wants to laud some other deserter of the Republican Party.

Mr. DERWINSKI. If I thought the gentleman from Iowa were in a good enough mood, I would suggest that he is the conscience of the party, but I shall not do that.

Mr. GROSS. Is the gentleman from Illinois saying that the Republican Party is the spending party? Or has the gentleman embarked upon the course of helping spend this country blind by his support of this and other such bills?

Mr. DERWINSKI. No, but if the gentleman will yield further, I admire the gentleman from Iowa as a great world statesman—granted that the gentleman

from Iowa has not seen as much of the world as I have—nevertheless, I respect the gentleman's sincere interest in the pursuit of freedom and world stability. I would suggest to the gentleman from Iowa that one of the great accomplishments of our country is in the area of agriculture where our farmers, many of whom the gentleman represents, are able to produce so much that they are literally able to feed the world in times of crises, catastrophe, and also under normal circumstances.

Much of that information is not available to people behind the Iron Curtain because their governments will not inform them of their dependence on the American farmer.

Mr. GROSS. Does the gentleman from Illinois think for one moment that he can make a farmer by radio?

Mr. DERWINSKI. No, but I think it is important that the people behind the Iron Curtain be aware of the contribution of the American farmer to their minimum well-being, and only by the broadcasting of Radio Liberty and Radio Free Europe can this be done.

Mr. GROSS. The gentleman from Illinois had to reach for that one.

Since the gentleman is on his feet and giving me a lecture, I wish he would tell me where it is proposed to get the \$50 million to continue this operation?

Mr. DERWINSKI. I know the gentleman was trying to stop the previous bill, and I am not guilty of that extravagance. I say this bill provides a legitimate investment of the public funds in a very, very necessary way.

Mr. GROSS. Including the creation of another board. We need another board in this Government about like we need a hole in our heads. Here is a new one, a brandnew one, being created under this bill to supervise I do not know what.

I must join with the gentleman from Ohio (Mr. HAYS) in his minority views. They are brief. Let me read them to the gentleman from Illinois, if he has not read them.

Mr. HAYS says:

It is my view that the American taxpayers should not pay for organizations which are under the direction of and staffed by more than 99 percent non-American citizens.

For that reason, and the fact that no one knows whether anyone listens to these stations, I can no longer support the expenditure of the taxpayers' dollars for these functions.

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

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

Mr. MORGAN. That statement is not correct. Radio Free Europe and Radio Liberty are not staffed 99 percent by foreigners. The direction of both radios, and all of the top management and operational positions, are controlled by U.S. citizens. The gentleman from Illinois put the figures in the record. I know the gentleman from Iowa attended the hearings, but he may not have realized that between 20 and 25 percent of the people working in these stations are Americans.

Mr. GROSS. I am merely quoting the gentleman from Ohio (Mr. HAYS), who is usually right.

Mr. MORGAN. The facts are as I described them.

Mr. GROSS. Mr. Chairman, I oppose this bill and I urge its defeat.

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

Mr. Chairman, I take these few minutes to make several remarks on the bill which apparently have not been brought forth at this time. The appropriation of \$50 million per year means we are being asked to approve of roughly \$1 million a month to finance these radio stations. That is a great deal of money from the American taxpayers and would support quite a number of radio stations that operate within the United States.

According to the information furnished to me, in 1970 the average cost of operating a radio station in the United States was approximately \$216,687 a year. It is true there are five stations operated by Radio Free Europe and Radio Liberty, located in Spain, Portugal, Germany, and Taiwan. But five radio stations in the United States can be run for approximately \$1,084,335.

Mr. Chairman, this legislation further authorizes the proposed Board for International Broadcasting to receive donations, bequests, gifts, and other contributions from private individuals and corporations, with these donations to qualify as deductions under the relevant provisions of the IRS Code. Thus, Mr. Chairman, the legislation would provide yet another front for those rich and superrich who wish to control the destiny of the world.

Mr. Chairman, the committee report makes it clear that it is the intent of this legislation to "encourage continuation of the professional integrity and independence of the two radio stations, their chief operating executives, and their staffs." Presumably, Mr. Chairman, this implies that these radio stations are not to be directed or influenced by the U.S. Government and are free to broadcast as their executives see fit. Like any other business, I would suggest that these executives will be influenced, or answerable to those individuals or corporations which make the largest donations to the operation of the radio stations.

I certainly agree with our colleague, Congressman ROSENTHAL, in asking: Why should the American taxpayer supply \$50 million or more annually for the foreseeable future for two private organizations which are run principally by non-Americans operating as agents of the American people in foreign countries to send their views into other foreign countries?

Mr. Chairman, I, for one, wonder why it is necessary for the Congress to authorize appropriations to the proposed Board for International Broadcasting, which is established as a nonprofit, tax-exempt organization by this legislation, and which in turn is authorized to make grants to two private nonprofit organizations which operate radio stations in foreign countries employing staffs reported to be composed of 99 percent non-American citizens.

Perhaps the reason for this increase in expenditure is that originally these radio stations were initiated to reach the Captive

Nations people behind the Iron Curtain. We are told that the CIA is now removed from influencing Radio Free Europe and Radio Liberty; so the transition explains the need for additional moneys. This may be the backlash of détente, that our interest in the Captive Nations Peoples, the original target for Radio Free Europe and Radio Liberty is at low profile as our leaders move toward détente with their Communist captors.

Some recognition is due the committee for their declaration in section 2 of the bill which states: The Congress hereby finds and declares—

(1) that it is the policy of the United States to promote the right of freedom of opinion and expression, including the freedom "to seek, receive, and impart information and ideas through any media and regardless of frontiers" in accordance with Article 19 of the Universal Declaration of Human Rights;

Of course, it is evident from this bill that we are advancing taxpayers' money to further U.N. objectives, but the rhetoric advancing free speech is nobly stated. Within the last several months Radio Station WXUR has had its license revoked and the Faith Theological Seminary and Dr. Carl McIntire have been denied their first amendment right of free speech, opinion, and expression.

Dr. McIntire has been denied the use of the ether waves of the United States to reach a segment of our people who trust his opinions, his expressions and spiritual leadership. Those Americans have been denied their right to information. As I understand it, this American minister has had to resort to operating a pirate radio station at sea off the coast of New Jersey, which he calls Radio Free America. Obviously because like the stated intent of the legislation before he is trying to "import information and ideas through any media and regardless of frontiers" to Americans.

Obviously many Americans will find it next to impossible to reconcile giving \$50 million dollars to support a free radio in Europe while denying American citizens an equal right to a free radio system at no cost.

I am concerned that the legislation before us could even extend this absurd notion of a fairness doctrine into international relations through the new international bureaucracy proposed by this bill and thus prevent or circumvent our true concern for the freedom of those enslaved in the Captive Nations. I believe the people of the Captive Nations do indeed have a right to know, but I question if this legislation authorizing the expenditure of over \$50 million—almost \$1 million a week—of our people's tax dollars, would actually contribute to the opportunity to explain or broadcast the views of the American people into captive foreign nations. It is ironic that at this very instant Radio Free America is trying to permeate the veil of secrecy to reach American citizens who are claiming that they are being denied hearing a free viewpoint or one which they prefer.

Mr. Chairman, I urge our colleagues to give serious consideration before voting on this boondoggle.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ST GERMAIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had other consideration the bill (S. 1914) to provide for the establishment of the Board of International Broadcasting, to authorize the continuation of assistance to Radio Free Europe and Radio Liberty, and for other purposes pursuant to House Resolution 549, he reported the bill back to the House.

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

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 313, nays 90, not voting 31, as follows:

[Roll No. 489]

YEAS—313

Abdnor	Chamberlain	Fisher	Horton	Moss	Spence	Nix	Runnels	White
Adams	Chappell	Flood	Howard	Murphy, III.	Staggers	Rees	Sandman	Young, Ga.
Alexander	Clark	Flowers	Huber	Murphy, N.Y.	Stanton	Roe	Shipley	
Anderson,	Clausen,	Foley	Hudnut	Myers	J. William	Rooney, N.Y.	Sisk	
Calif.	Don H.	Ford, Gerald R.	Hunt	Natcher	Stanton			
Anderson, Ill.	Clay	Ford,	Johnson, Calif.	Nedzi	James V.			
Andrews, N.C.	Cleveland	William D.	Johnson, Pa.	Nichols	Steale			
Andrews,	Cochran	Forsythe	Jones, Ala.	Obey	Steelman			
N. Dak.	Cohen	Fountain	Karth	O'Brien	Steiger, Wis.			
Annunzio	Collier	Fraser	Kazen	O'Hara	Stephens			
Arends	Collins, Ill.	Frelinghuysen	Keating	O'Neill	Stokes			
Armstrong	Conable	Frenzel	Kemp	Parris	Stratton			
Ashley	Conlan	Frey	Kluczynski	Passman	Stubblefield			
Aspin	Conte	Froehlich	Kuykendall	Patman	Stuckey			
Badillo	Cotter	Fulton	Kyros	Patten	Sullivan			
Barrett	Coughlin	Fuqua	Latta	Pepper	Symington			
Bergland	Crane	Gaydos	Lent	Perkins	Talcott			
Bevill	Cronin	Gettys	Litton	Pettis	Taylor, N.C.			
Blaggi	Culver	Giaimo	Long, Md.	Peyser	Teague, Calif.			
Biester	Daniel, Dan	Gibbons	Lott	Pike	Teague, Tex.			
Bingham	Daniel, Robert	Gilman	McCloskey	Poage	Thompson, N.J.			
Blackburn	W., Jr.	Goldwater	McCormack	Podell	Thomson, Wis.			
Blatnik	Daniels,	Gonzalez	McDade	Preyer	Tierman			
Boggs	Dominick V.	Grasso	McEwen	Price, Ill.	Udall			
Boland	Danielson	Griffiths	McFall	Pritchard	Ullman			
Bolling	Davis, S.C.	Grover	McKay	Quie	Vander Jagt			
Bowen	Davis, Wis.	Gubser	McKinney	Quillen	Vanik			
Brademas	Deianey	Guyer	Madigan	Railsback	Vigorito			
Brasco	Dellenback	Hamilton	Mallard	Randall	Walsh			
Bray	Denholm	Hammer-	Mallary	Regula	Wampler			
Breckinridge	Dennis	schmidt	Mann	Reid	Ware			
Brinkley	Dent	Hanley	Maraziti	Reuss	Whalen			
Brooks	Derwinski	Hanrahan	Martin, Nebr.	Rhodes	Whitehurst			
Broomfield	Dickinson	Hansen, Idaho	Martin, N.C.	Riegel	Whitten			
Brotzman	Drinan	Hansen, Wash.	Martin, N.C.	Rinaldo	Widnall			
Brown, Mich.	Dulski	Harsha	Mash, Calif.	Roberts	Wiggins			
Brown, Ohio	du Pont	Harvey	Mash, Md.	Robinson, Va.	Williams			
Broyhill, N.C.	Eckhardt	Hastings	Mash, N.Y.	Robison, N.Y.	Wilson, Bob			
Broyhill, Va.	Edwards, Ala.	Hawkins	Mash, N.Y.	Rodino	Wilson, Calif.			
Burke, Calif.	Ellberg	Hébert	Mash, N.Y.	Roncalio, Wyo.	Charles H., Calif.			
Burke, Mass.	Erlenborn	Heckler, Mass.	Mash, N.Y.	Roncalio, N.Y.	Winn			
Burton	Esch	Heinz	Mash, N.Y.	Rostenkowski	Wolf			
Butler	Eshleman	Helstoski	Mash, N.Y.	Roth	Wright			
Byron	Evans, Colo.	Henderson	Mash, N.Y.	Rousselot	Wyatt			
Carney, Ohio	Evins, Tenn.	Hillis	Mash, N.Y.	Roy	Wydler			
Carter	Fascell	Hinshaw	Mash, N.Y.	Roy	Wylie			
Casey, Tex.	Findley	Hogan	Mash, N.Y.	Ryan	Wyman			
Cederberg	Fish	Holifield	Mash, N.Y.	Satterfield	Yates			
			Mash, N.Y.	Scherle	Zion			
			Mash, N.Y.	Slack	Zwach			
				NAYS—90				
			Abzug	Harrington	Rarick			
			Addabbo	Hays	Rogers			
			Ashbrook	Hechler, W. Va.	Rose			
			Bafalis	Hicks	Rosenthal			
			Baker	Holt	Rousselot			
			Bauman	Holtzman	Roy			
			Beard	Hungate	Ryan			
			Bell	Hutchinson	Satterfield			
			Bennett	Ichord	Scherle			
			Breaux	Jarman	Schroeder			
			Burke, Fla.	Jones, Okla.	Seiberling			
			Burton	Jones, Tenn.	Shuster			
			Burleson, Tex.	Jordan	Skubitz			
			Burlison, Mo.	Kastenmeier	Snyder			
			Camp	Ketchum	Stark			
			Clancy	King	Steed			
			Clawson, Del.	Koch	Steiger, Ariz.			
			Collins, Tex.	Landgrebe	Studds			
			Corman	Landrum	Symans			
			de la Garza	Lehman	Taylor, Mo.			
			Devine	Long, La.	Towell, Nev.			
			Downing	Lujan	Treen			
			Duncan	McSpadden	Van Deerlin			
			Edwards, Calif.	Macdonald	Veysey			
			Flynt	Mathis, Ga.	Waggoner			
			Ginn	Mazzoli	Walidie			
			Goodling	Milford	Wilson,			
			Green, Oreg.	Owens	Charles, Tex.			
			Gross	Pickle	Young, Fla.			
			Gunter	Price, Tex.				
			Haley	Rangel				
				NOT VOTING—31				
			Archer	Davis, Ga.	Gude			
			Brown, Calif.	Diggs	Hanna			
			Buchanan	Dingell	Johnson, Colo.			
			Burgener	Donohue	Jones, N.C.			
			Carey, N.Y.	Dorn	Leggett			
			Chisholm	Gray	Madden			
			Conyers	Green, Pa.	Mills, Ark.			

Nix  
Rees  
Roe  
Rooney, N.Y.

Runnels  
Sandman  
Shipley  
Sisk

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney of New York for, with Mr. Conyers against.

Until further notice:

Mr. Gray with Mr. White.

Mr. Green of Pennsylvania with Mr. Young of Georgia.

Mr. Hanna with Mr. Jones of North Carolina.

Mrs. Chisholm with Mr. Donohue.

Mr. Nix with Mr. Madden.

Mr. Carey of New York with Mr. Gude.

Mr. Davis of Georgia with Mr. Sandman.

Mr. Diggs with Mr. Roe.

Mr. Shipley with Mr. Brown of California.

Mr. Sisk with Mr. Buchanan.

Mr. Leggett with Mr. Rees.

Mr. Dorn with Mr. Archer.

Mr. Dingell with Mr. Runnels.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. MORGAN. 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 Pennsylvania?

There was no objection.

#### FURTHER MESSAGE FROM THE SENATE

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

H.R. 9286. An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9286) entitled "An act to authorize appropriations during the fiscal year 1974 for procurement of aircraft missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON,

Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mr. THURMOND, Mr. TOWER, Mr. DOMINICK, and Mr. GOLDWATER to be the conferees on the part of the Senate.

#### HOBBY PROTECTION ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 5777, to require that reproductions and imitations of coins and political items be marked as copies or with the date of manufacture, together with the Senate amendments thereto and disagree to the Senate amendments.

The Clerk read the title of the bill.

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

There was no objection.

#### PERMISSION FOR SPEAKER TO DECLARE A RECESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that following all special orders that the House may go into a recess at the order of the Speaker in view of the fact that we have just received a Senate resolution that is to be considered by the Committee on Banking and Currency. I do not have the number of the resolution in front of me at the present moment.

Mr. GERALD R. FORD. Mr. Speaker, if the gentleman will yield, the gentleman from Massachusetts, our distinguished majority leader, gave me his copy, and that is why the gentleman does not have it in front of him. The gentleman from Massachusetts is referring to Senate Joint Resolution 160, which would provide for an extension of certain laws relating to the payment of interest on time and savings deposits, and for other purposes.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would ask the distinguished majority leader how long he would think this recess would be in effect?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, the Committee on Banking and Currency is going to meet at 3 o'clock, and we expect that after a brief hearing this legislation will be reported by the committee.

There has been tremendous pressure, I know, on many of the Members from throughout the Nation concerning these time deposits and savings deposits and, especially in view of the fact that the interest rates are so high on certificates of deposit and others, and also because of the fact that literally thousands of students have not been able to get student loans this year, and that there has been a great tightening up on mortgage money throughout the country. Therefore, this being a suspension of the rules day, it is hoped that this matter could be brought up today. The resolution was introduced by Senator TOWER in the Senate yesterday. The resolution passed overwhelmingly there. It is hoped that

the committee will report the resolution back practically forthwith. And, as I say, this being a suspension of the rules day, that is the reason that we would like to have the legislation taken up today.

I really cannot be more explicit than that except to say that we anticipate that the committee will be reporting this matter out shortly.

Mr. GROSS. Are the big game hunters on the Committee on Banking and Currency back from Africa?

Mr. O'NEILL. The gentleman will have to explain that to me. I do not understand what the gentleman means.

Mr. GROSS. It is my understanding that 20 or more of the members spent a week or so in Africa, and I just wondered whether they were back and ready to do business.

Mr. O'NEILL. Yes, they are here.

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

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I would like to direct a question to the majority leader.

We were just notified approximately 25 minutes ago of this meeting. Is the gentleman from Massachusetts satisfied that this has been considered carefully to determine what the total impact would be on all of the economy or, are we again, just more or less guessing at what might be the effect?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, let me read the resolution to the gentleman, and to the Members:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. In carrying out their respective authorities under the Act of September 21, 1966 (Public Law 89-597) and under other provisions of law, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall take action to limit the rates of interest or dividends which may be paid on time deposits of less than \$100,000 by institutions regulated by them.

This is just to show the Members that some of these institutions, I understand, are now paying as high as 12 percent. They have drained all of the money off of the mortgage market.

I come from a large city area where there are big banks, and the money is standing in the big banks, and the metropolitan areas are not affected as badly as are the really rural sections of America.

I will have to state that the arguments that have been given by the member of the gentleman's committee that they deem this as necessary, and because of the fact that this is a suspension day, they think that this is the proper time to bring the matter up.

Mr. ROUSSELOT. Mr. Speaker, I further reserve the right to object. Those of us on the Committee on Banking and Currency are very much aware of the basic problem, and we have heard the reasons to which this hurry-up legisla-

tions Senate Joint Resolution 160 supposedly addresses itself, as the gentleman knows.

Those of us on the Committee on Banking and Currency are very much aware of the basic problem, and we have heard the reasons to which this hurry-up legislation Senate Joint Resolution 160 supposedly addresses itself, as the gentleman knows.

We were primarily restricted by the Federal Reserve Board on July 5 of this year. In my opinion, on the basis of what little we know about this legislation, it is basically cosmetic. It really does not go to the core of the problem at all. I do not wish to prevent this House from undertaking a task of trying to do something constructive; and part of the problem is that we really have not had a chance to study in detail what the total effect of this would be.

Secondly, is this legislation really going to solve the problem for all concerned?

Mr. Speaker, I withdraw my reservation of objection.

Mr. O'NEILL. I am not an authority on the subject. It is my understanding that the committee—and I am at this particular time taking Mr. PATMAN's place on the floor, who normally would be speaking instead of myself—is meeting, and if the gentleman is a member of the committee, I would advise him that the best place to present his arguments is before the committee.

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

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. PICKLE. Some of us had reserved a special order this afternoon to talk about the transportation of grain and the shortage of freight cars.

Mr. O'NEILL. I understand the special orders will go forward. At the end of the special orders and after business is completed, at that time the Speaker may call a recess.

Mr. PICKLE. There is a possibility of a recess after that?

Mr. O'NEILL. The gentleman is correct.

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

There was no objection.

#### AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE, AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, BY THE TWO HOUSES AND FOUND TRULY ENROLLED, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until tomorrow, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, is that designed to deal with the legislation for which the recess is being taken?

Mr. O'NEILL. I have to presume that that is so, yes.

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

There was no objection.

**APPOINTMENT OF CONFEREES ON H.R. 9286, AUTHORIZING APPROPRIATIONS FOR MILITARY PROCUREMENT**

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9286) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? The Chair hears none, and appoints the following conferees: Messrs. HÉBERT, PRICE of Illinois, FISHER, BENNETT, STRATTON, BRAY, ARENDS, BOB WILSON, and GUBSER.

**QUALITY OF POSTAL SERVICE**

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

Mr. HILLIS. Mr. Speaker, during the August recess, I distributed a questionnaire to approximately 250 individuals who had written to me over the past year expressing their views about problems existing within the Postal Service and relaying personal experiences.

Many of these people lived in my own Fifth District of Indiana while others were from various parts of the country. However, they had one thing in common—a desire for quality postal service and concerns for existing conditions.

Well over 80 percent response to the questionnaire was received. I have found the replies to be highly beneficial to me in my efforts to understand the problems which great numbers of Americans have experienced with either delays or loss of their mail.

Time has come for talk to cease and action to begin on improving our postal service. Accordingly, I am again soliciting the support of colleagues here in the House to sponsor my bill, H.R. 5051, which would assure quality postal service to all U.S. citizens.

I want to share this questionnaire along with its results, my letters to Post-

master General Klassen and JAMES HANLEY, chairman of the Subcommittee on Postal Service of the House Post Office and Civil Service Committee, of which I am a member.

**RESULTS OF HILLIS POSTAL QUESTIONNAIRE**

WASHINGTON.—Congressman Elwood H. "Bud" Hillis (R-Kokomo) announced today the final results of a postal questionnaire he recently directed to approximately 250 individuals who had previously written to him about their postal problems.

"I was quite pleased with the overwhelming response of over 80 percent to the survey," Hillis commented.

The Congressman also stated that the replies came from persons all over the United States as well as the 5th District of Indiana and it had generated interests from many others.

"I plan to furnish my findings to Thaddeus Dulski, Chairman of the House Post Office and Civil Service Committee of which I am a member, and to H. R. Gross, the Ranking Minority Member. Also, the results will be going to Postmaster General E. T. Klassen and each of my Colleagues here in the House of Representatives," Hillis further commented.

"I have gone through every reply to the questionnaire and the responses all are much the same. People everywhere are dissatisfied with the service they are receiving from the Postal Service. Mail is taking longer and longer to reach its destination. It is being delayed and often lost altogether. One lady wrote of having impressions made to send to a dental office in another city. They were lost in the mail and then she had to go through the expense and trouble of having more made. In another city, a mother sent photographs of her children to their grandmother. They were never received. These are just a few examples.

"Overall, those replying felt that their local post office was in good condition. Most found it to be neat and clean. However, many felt that post offices were inadequate with facilities for the disabled and suggested that ramps be installed.

"Of course, a great majority felt that postal rates were too high already and they did not feel that an increase to 10¢ for first class postage was warranted on January 1, 1974. However, I was interested to learn that many individuals would be willing to pay an additional 2¢ if service and delivery were improved significantly.

"People are opposed to the sectional centers where mail is sent to be sorted and then sent back home again for local delivery. This was the number one complaint because many felt that this not only leads to delay but there are increased chances of mishandling, misdirecting and outright loss of the mail," Hillis concluded.

Additional results are as follows:

1. How do you rate the attitude of postal employees?

a. Postal Clerks—Excellent, 18 percent; average, 40 percent; fair, 30 percent; poor, 2 percent.

b. Carriers—Excellent, 33 percent; average, 50 percent; fair, 12 percent; poor, 5 percent.

2. How do you rate your local postal service at present?

Excellent, 10 percent; average, 40 percent; fair, 23 percent; poor, 27 percent.

3. How do you rate national postal service at present?

Excellent, 1 percent; average, 20 percent; fair, 41 percent; poor, 38 percent.

4. How would you compare the service you are receiving today with that of when you initially wrote to me?

Better, 19 percent; same, 22 percent; about the same, 51 percent; poorer, 8 percent.

SEPTEMBER 25, 1973.  
HON. JAMES M. HANLEY,  
*House of Representatives*,

DEAR JIM: This August I conducted a survey among approximately 250 individuals from my own Fifth District in Indiana and others from all over the country who had written to me regarding the postal service.

Enclosed is a copy of the questionnaire which was sent out and a press release giving the results. I am also enclosing a copy of a letter I have today written to Postmaster General Klassen.

As indicated in my correspondence to Klassen, I want to urge that your subcommittee soon consider my bill, H.R. 5051, which would assure quality postal standards. I am anxious to work with you and do hope that your schedule will soon permit you to hold hearings on my bill along with other related pending legislation.

With best wishes, I remain.

Sincerely,

ELWOOD H. HILLIS, M.C.

**POSTAL QUESTIONNAIRE**

1. How do you rate the attitude of postal employees?

A. Postal Clerks—excellent, average, fair, poor.

B. Carriers—excellent, average, fair, poor.

2. How do you rate your local postal service at present?

Excellent, average, fair, poor.

3. How do you rate national postal service at present?

Excellent, average, fair, poor.

4. How would you compare the service you are receiving today with that of when you initially wrote to me?

Better, same, about the same, poorer.

5. If you have been in your local post office recently, in what condition did you find it?

6. The Postal Corporation has proposed an increase in first class mail from 8¢ to 10¢ on January 1, 1974. What are your thoughts on this?

7. General observations on the Postal Service. (You may use the reverse side of this questionnaire for comments.)

SEPTEMBER 25, 1973.

HON. E. T. KLASSEN,  
*Postmaster General,  
U.S. Postal Service,  
Washington D.C.*

DEAR MR. POSTMASTER GENERAL: During August, I mailed out a survey to approximately 250 individuals from my own Fifth District of Indiana and throughout the country who had written to me regarding the postal service in this country. A copy of this questionnaire is enclosed.

Earlier this year my mail was quite heavy with letters complaining about the postal service. This volume had dropped and I was anxious to learn if postal service had actually improved or had remained the same. The response was overwhelming—well over 80 percent replied.

I want to share with you the results of this questionnaire and have enclosed a copy of a press release which has just gone out from my office.

People continue to be dissatisfied with the service they are receiving and I believe that their complaints are justified.

Our postal service is a vital public service. It is a daily lifeline of communications, without which this nation could not exist. We cannot afford to stand by and allow this system to deteriorate. For this reason, I am today contacting James M. Hanley, Chairman of Post Office and Civil Service's Subcommittee on Postal Service, to urge that he conduct hearings as soon as possible on my bill, H.R. 5051, which would assure quality standards of postal service to all U.S. citizens.

I am glad to have had this opportunity to share my questionnaire with you and look forward to working with my Committee and you to bring about a top rate postal service in this nation.

With best wishes, I remain  
Sincerely,

ELWOOD H. HILLIS, M.C.

#### AT LAST

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

Mr. RANDALL. Mr. Speaker, the news ticker in the south lobby just off the House floor, this afternoon typed off some most welcome news with the announcement of mandatory allocation of fuels.

Today is the sixth successive legislative day, starting Monday, September 24, that I have taken the floor of the House to emphasize the desperate need for some kind of allocation program of petroleum products for the farmers of our country. At this late date the best that can be said for either the White House or the President's Energy Adviser, John Love, former Governor of Colorado, is, "Better late than never."

On July 30 just before the August recess, Governor Love came to our office in the Rayburn Building to discuss the energy crisis. I distinctly recall the comments he made then in opposition to any allocation program. He said:

Any kind of an allocation program will only spread the shortages around.

Today, it is encouraging to note that he has had a change of heart when he says:

Allocation will insure that no single area of the country would suffer undue shortages.

It is heartwarming to hear the news that the administration plans immediate allocation of propane to help our farmers with this year's crop and that there will be regulations for other petroleum products within the next 2 weeks.

The announcement today reveals an interesting turn around in administration attitudes. Last week, Mr. Love thought nothing could be done until Congress enacted enabling legislation. I do not enjoy assuming an "I told you so" appraisal of today's action. Nonetheless the facts are I have been calling daily attention to Public Law 93-28, section 2, which clearly gives the President authority for petroleum allocation. Remember, Public Law 93-28 was passed way back in April of this year.

Maybe the President's Chief Energy Adviser, by his action today, concedes at long last that no action by Congress was really necessary to set up a comprehensive mandatory fuel allocation program. However, it is unfortunate that the White House failed to act 60 days or even 30 days ago to provide our farmers, whose tractors have stood idle in the fields of the Middle West, with the needed fuel to harvest their silage and other crops.

Anyhow, the long overdue action is welcome. The announcement today

should prove that this administration as it did could not shift the burden to Congress charging a need for legislation of when the problem all along was the failure to act by the White House and Mr. Lane.

We say again, for our farmers all over the Middle West, "better late than never." We are grateful that it seems now we will have a mandatory allocation program. At last.

#### NASA ACCOMPLISHMENTS

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

Mr. TIERNAN. Mr. Speaker, as a member of the Appropriations Subcommittee that handles the appropriations of the National Aeronautics and Space Administration, during the past year I had an opportunity to review the many benefits that flow from NASA's activities. In the area of communications, medicine, electronics, computer application technology and in the development of devices to monitor our weather and evaluate the extent of our natural resources, NASA has made immeasurable contributions to American society.

This past year NASA began to phase out many of the projects which it has developed in the past. It has decided to leave development of communications satellites to private industry. And the last planned Moon mission has now been completed. However, we should not think that the ability of NASA to serve the Nation is coming to an end. While many of its past projects are coming to an end new projects have begun.

Further, the NASA's level of scientific expertise can and should be put to use in areas other than just space technology. For this reason, I am submitting a bill introduced in the Senate by Senator MAGNUSON which would amend the National Aeronautics and Space Act of 1958 to apply the scientific and technological expertise of NASA to the solution of many of our domestic problems.

The Technology Resources Survey and Applications Act would create a three-element system for utilizing available technical manpower and other resources in the solution of critical domestic problems.

First, it would create a long-range survey of technological resources which would draw on both government and private sources to identify the actual scientific research being done by private enterprise, the academic community, government at all levels, and other sources. This survey would also note areas of research critical to the solution of important domestic problems that are being neglected. It should also describe to what degree unemployment among technically oriented workers exists and be updated yearly. This approach is long overdue and is recommended by the National Academy of Engineering.

Second, the act would provide for an inventory of critical domestic problems which are susceptible to resolution by

the application of science and technology. It would provide for the selection of such programs as will utilize unemployed technological resources and contribute to the resolution of critical domestic problems.

Third, the act would provide an organization within NASA to carry out programs thus identified to resolve critical national programs. This would expand an activity already underway within NASA and enable us to better utilize a capability which has already exhibited an impressive record of success.

The survey of technological resources and the identification of critical national problems would be under the direction of a National Technology Resource Council composed of Cabinet members and agency heads most involved with high technology problems. This Council would not be obligated to assign all problems which it identifies to NASA for solution, but could do so where they felt it to be in the best interests of the country. The Council, procedurally, would make its recommendations to the President who, in turn, would make the ultimate decision as to assignment.

The Technology Resources Survey and Applications Act provides for the systematic application of unemployed technological resources to the Nation's technology oriented problems. Our country has both the technological momentum and resources to overcome the most serious of our technology-oriented problems. What we lack is a strategy. The Technology Resources Survey and Application Act fills an urgent need.

#### WITHOUT ADEQUATE TRANSPORTATION FREE ENTERPRISE ECONOMY CANNOT SURVIVE

The SPEAKER pro tempore (Mr. WALDIE). Under a previous order of the House, the gentleman from Texas (Mr. PICKLE) is recognized for 60 minutes.

Mr. PICKLE. Mr. Speaker, the American consumer took a beating because of last year's Russian grain deal. The consumer took a beating because the grain deal paralyzed the shipment of domestic goods. The consumer took a beating because the grain deal was responsible for higher food prices.

Surely the maligned consumer has had enough, but he faces more abuse. As I stand before this House today, another massive grain deal is underway. The Nation's railroads are drifting toward paralysis; and, although we now see a temporary, seasonal dip, higher food bills are staring America in the face.

The grain export surge has laid bare a fundamental weakness which stands directly between supply and demand. Without adequate transportation, a free-enterprise economy cannot survive.

So we can clearly see the situation before us, I want first to review last year's grain sale. Last year, the United States sold 1.1 billion bushels of wheat to other countries. Our Government spent \$300 million in subsidies without considering

how that much grain would be shipped. With all the foresight of a pack of lemmings, the administration agreed to deliver the goods on blind faith.

Within months of the grain sale, every freight car that railroads could muster there stood glutted with wheat. Yet millions of bushels of wheat remained to be shipped. Up to 1,000 grain elevators were blocked, and some of them were driven out of business. Worse yet, up to 2 million bushels of wheat lay in great piles, exposed to the uncertainties of weather.

Here at last was the freight car shortage which draws so much talk and so little action. Grain shippers alone needed an additional 36,000 freight cars every day.

The fertilizer industry, the lumber industry and other shippers discovered half their normal freight car supply had fallen victim to the great suction of the grain deal.

For the nearly half-million railroad cars loaded with wheat, the picture was little better. Movement toward seaports progressed at an agonizing rate. Because of insufficient locomotive power, empty cars plugged terminals such as Fort Worth and Kansas City. Loaded cars often waited 4 or 5 days for an engine.

Some railroads could not even keep track of their cars. Our rail system is a gigantic spider web, with every line interconnecting every other line. Railroad companies simply cannot trace their cars closely when they travel another company's tracks. A witness at a Commerce subcommittee hearing described the situation as "complete and total lack of coordination."

If the railroad does not even know where its cars are, it takes little imagination to see the railroad companies had difficulty telling shippers when—and if—they could furnish more cars.

The highest hurdle of all, however, loomed at the ports, where the grain was loaded onto freighters. More than 4 months passed while Russian and American diplomats haggled over the price of freighter service. Each of these months wasted time that could have gone into loading grain.

When the Soviet-destined wheat finally began to move, three-fourths of it was channeled through one port—Houston, Tex.

Hundreds of freight trains snaked their way south only to find Houston hopelessly overloaded. At capacity, this port can discharge around 4,900 cars a day. The railroads and port elevators pushed themselves to the limit, but between two and three thousand freight cars were consistently back-logged on sidings around Houston.

The railroads, in short, were unable to ship all the grain, and the ports could not handle what arrived.

In a similar fashion, freighters congregated in the harbor to wait their turn at the dock. Fifty-four ships stood offshore at one time. The United States was liable for penalty payments on some of these freighters, and our Government shelled out up to \$75,000 a day in penalty fees.

The ill-fated shipment of export wheat was finished nearly 2 months late.

The mishandling of the Russian grain deal also commandeered indispensable freight cars from other services. During the entire venture, shipments of such commodities as corn and soybeans were delayed. An acute lumber shortage—especially in plywood—developed. Fertilizer shippers found themselves 10,000 cars short of their daily need. Cotton mills faced 3- and 4-month delays in getting needed shipments.

The cost of bread jumped 6.5 percent during the grain deal, and the cost of raw wheat doubled. Beef began its steady price increase.

It is difficult to say how much inflation was caused by the freight car shortage. The mere fact that the grain was sold elevated prices even before shipment began, and the decline of the dollar also contributed to inflation. But the shortage, for sure, played its part in bringing higher prices.

The grain deal is most tragically a harbinger of things to come. It was the first of several developments which continue to threaten the stability of our economy.

We have already destined ourselves to repeat the transportation fiasco this year. We are already well on the way to overloading our railroads and ports.

Instead of 1.1 billion bushels, this year we expect to ship 1.3 billion bushels of wheat. The customers are different, with the Republic of China and the nations of Africa ranking ahead of the U.S.S.R. But again this year, 75 percent of the shipment is headed for the port of Houston.

There have been some improvements. The railroads have increased their hauling capacity by 30 percent. Houston elevators are operating around the clock, 7 days a week.

The Interstate Commerce Commission is holding coordinating sessions with shippers, railroads and port authorities. The Agriculture Department has set up a transportation monitoring system. I believe everyone is hoping to avoid another transportation impasse. All in all, last year the railroads did a good job under difficult circumstances.

But the same problems which crippled the rail shipping system last year are already rearing their heads. The best we can do is simply not good enough.

Today nearly 2 million bushels of wheat lie exposed to the elements. Six hundred elevators are blocked and unable to ship their grain.

Smaller gulf ports have all the traffic they can handle. Houston is processing cars at capacity, but the flood of freight trains has forced the ICC to embargo all but two major elevators there. That is to say, the ICC has already had to order that no more grain can be shipped to most of the Houston port until more of what is already there is moved on out. One Houston elevator presently has more than 800 cars waiting to be unloaded.

Railroads are now short more than 25,000 freight cars every day. Moreover, as of this date, less than 350 million bushels of wheat—less than a third of planned exports—have started moving. We are

less than one-third of our way into this year's venture and the freight car shortage is already serious. It cannot help but grow worse.

Bumper harvests of corn and sorghum will place additional burdens on the rail system, but freight capacity will fail to meet the demand.

Domestic shippers are already finding themselves with no way of moving their products. Farmers cannot get fertilizer for their winter wheat crop. The Agriculture Department says farmers will be short 700,000 tons of fertilizer, and that means a lot of lost crops. How ironic! The United States cannot produce wheat because railroads are choking with wheat exports.

Other shortages are poking over the horizon. Just like last year, we can expect the lumber industry to suffer. We can expect other crops—soybeans, corn, and sorghum—to further clog the railroads. And this year we will be exporting a million more bales of cotton than we did last year. Where we will get the rail cars necessary for this and for domestic cotton shipments is anyone's guess.

In short, we can expect a repeat of last year. Bread will cost a few cents more. The price of cattlefeed will climb, ground beef may take a few extra pennies, and clothing costs will climb.

And if the fertilizer shortage damages the winter wheat crop, the next harvest will bring another price increase.

All these high prices translate directly into human suffering. They undermine the borderline families who barely get by. They castigate those who cannot spare a few more pennies for bread.

All of this is partly because we are selling grain we cannot deliver efficiently. I am not implying we should halt our grain exports. Exports are basically good for the economy, and U.S. wheat is saving millions from starvation.

I am saying we should start now—today—to repair a railroad problem which has needed attention not just recently but for years.

First, we need to help the railroads secure more cars and locomotives. Every time we grow another ton of wheat, railroads become less efficient. American agriculture is the most productive venture on Earth, but added production without more railroad cars is sheer folly. It makes no sense to grow crops that will rot on the ground or at the terminal.

We need also to provide stronger incentives for the railroads to purchase the needed cars. We have to get away from the feeling that it is easier to rent a car than it is to own one.

We also need improved ports, ports that can handle the grain coming down the railroads. This is another long term, but necessary, requirement.

We need better storage facilities—especially at our ports—so that cars will not be stacked up for days on end waiting for a place to deposit their loads.

Perhaps we need to think in terms of a low interest or guaranteed loan program for more grain elevators at the ports. I am thinking of something similar to that program used so successfully by

the Rural Electrification Administration in setting up rural-owned facilities for the rural people as they did in rural electric cooperatives across our land.

Second, we can put those resources at hand to better use. With better utilization of existing facilities—and they are getting better—railroads can keep track of cars that today stand lost on a countryside track. With a nationwide computer system, every car could be pressed into nearly constant use.

What we need more than anything else, though, is more commonsense. With some advance planning, we could begin right now to use the equipment we have more fully.

Today exporters can dump their wheat on the railroads with little regard for the havoc that follows. Today we have a near panic situation. Everyone is trying to get through at once, and very few get through at all.

Congress can act this session to control this transportation chaos. By requiring exporters to plan transportation beforehand, we can at least line up shipments in an orderly fashion.

We can also offer Government assistance to bring about use of one port for 75 percent of our wheat exports. The right legislation can coordinate our export shipments and keep domestic goods rolling.

I stress to you that time is of the essence. A railroad imbroglio is churning more inflation for the second time in as many years. We should make this the last time it happens.

I have heard people remark that it takes a catastrophe to make Congress act. Well, we have got our catastrophe—a creeping, insidious cancer that escapes public attention while it eats away at our economy. I hope we can act on the freight car shortage before it blows up in America's face.

Will the transportation mess take the course of our fuel problem? Will an obvious inadequacy be ignored until it reaches monstrous proportions?

I trust Congress will not let such a thing happen. I trust that Congress will soon focus its creative energy on our railway shipping problems. To do otherwise is to flirt with tragedy.

Freight cars and locomotives lack romance; I know that. I realize the problems we face are complex. They are hard to pin down and even harder to solve. But the basic relationship is straightforward: Freight car shortages mean higher prices. They mean higher food costs in particular.

All of us—regardless of party, regardless of ideology—surely agree that costs are already too high. Waging a frontal attack on the freight car problem will not halt inflation, but it will retract a major contributor to inflation.

That is the message we bring to you today. More freight cars and fuller use of freight cars we have will mean better shipping; and better shipping means lower prices.

We can act this year on legislation to bring better railway shipping. We can help provide through guaranteed loans a billion dollars worth of new cars and locomotives. We can create sensible rules

for more orderly and efficient use of existing equipment.

Three pieces of legislation have been formulated to achieve these goals. I urge every Member to examine them closely and push for early action. They have laid before pertinent committees for months already.

We cannot say we were not warned, and history will judge us harshly if we do not heed the warning. Clearly, the freight car shortage demands swift attention.

#### BACKGROUND

While the freight car shortage has suffered from lack of attention, it has not suffered from lack of history. Freight car shortages became a fact of railroad life in 1887, when the first case laid before the new ICC in 1887 was a shortage case filed by eight wheat farmers in the Dakota territory.

Except for the years of the Great Depression, we have suffered a freight car shortage ever since.

Even in the 1920's, our railroads made the list of America's "sick industries," and freight car shortages clearly were part of the problem.

Our railroads have been failing for so long no one seems to believe they can actually collapse—although forthcoming events in the Northeast corridor may soon rob us of this illusion.

As a nation we seem to feel the railroads cannot really collapse—and they cannot really run well either.

We seem to take an attitude toward the railroad as a nostalgic old mare who has seen better days and ought to be allowed to die in peace.

We forget that our railroads carry around 38 percent of our national freight and will continue to do so.

We forget that this 38 percent represents over double the actual load the railroads carried in World War I when their share was 75 percent.

We forget that our railroads still carry more freight than any other single means of transport currently in use.

We forget that the railroad is the only economical way to transport many bulk commodities over long land distances.

And we have not looked down the track at all.

Railroads currently carry around 2 trillion ton-miles of freight annually. If the population of this Nation reaches the expected 265 million by the year 2000 and our standard of living continues to improve, we may by then be moving as much as 6 trillion ton-miles of freight between our cities—three times the current load in less than 30 years.

Are we to carve up our countryside with more and more slabs of concrete roads to carry this load?

Are we to doom clean air forever by increasing highway truck traffic beyond recognition?

Are we to allow our transport system to get so clogged we collapse the economy simply because we cannot get the goods moved around?

Are we to compound our energy shortage by relying on high energy transports such as highway and air traffic? At any speed above 6 miles per hour railroads

use one-half as much energy per ton-mile as a pipeline, one-third as much as a truck, and 84 times less energy per ton-mile than airplanes.

When we were not being nostalgic toward our railroads, we're being parochial. Even the ICC has shown a great propensity for expending much of its energy settling disputes between individual railroads instead of making the whole system work better.

Freight car shortages are usually thought of in terms of a problem of the Western farmers during harvest season, but the facts clearly show any segment of the economy can now be hit sometime during the year. It is no longer a regional issue.

The problem with the prevailing nostalgic and parochial attitudes toward our railroads is that they overlooked two simple facts:

First. Our railroads can collapse; and Second. Our railroads can be improved and helped so they will work.

We spent a lot of time yesterday under the leadership of my good colleague Father Drinan discussing the first of these facts, the pending collapse of the Penn Central.

Now, I want to concentrate on the second fact—our railroads can be improved so they will work.

In the First World War, our rail freight was thrown into such disarray that the National Government had to step in and run the industry. The situation carries frighteningly clear lessons for us today.

Between 1900 and 1915 rates had generally been frozen while prices had risen 30 percent, wages 50 percent, and taxes on railroads had tripled.

The war disrupted normal traffic patterns; nearly everything was moving to Eastern ports.

The railroad made a classic mistake—by 1917 thousands of cars were idling as storage bins.

By November of 1917, freight car shortages had reached 160,000 cars per day.

The industry made an effort to pull together, but could not. And the Federal Government had to step in—to the tune of \$2 million per day from the American taxpayers' pocketbooks.

Between the two World Wars, however, some important events occurred.

First, several billions—\$7 billion before 1930—were invested in new equipment—more efficient equipment—including double tracking, more yard track, and automatic block signals.

Second, 13 regional boards were set up to improve estimates of their areas' rail needs in advance.

Third, overall railroad efficiency was increased drastically—besides introducing improved equipment, the railroad increased the miles a car traveled per day some 69 percent, nearly doubled the net amount of freight moved each hour, and made other advances.

Consequently, during World War II, the American railroad was able to stand almost double the amount of ton-miles carried—from 367 billion ton-miles in 1916 to 690 billion in 1945—and still suffer daily shortages of only about 10,000 cars.

And, it did this with little new equipment and while paying about \$3 million back to the Government in taxes daily.

The lessons of the two wars ought to be clear. In the first, we saw no organization, poor utilization, and a shortage of cars reaching into the hundreds of thousands. We saw the Federal Government having to step in and the taxpayer bearing \$2 million a day for it.

In the second, however, we saw better organization, better utilization, equipment ready to go, and car shortages kept to a minimum. And we saw private enterprise at work, paying \$3 million per day into the Federal Treasury.

The choice is before us today—and before this Congress more than anywhere else—whether we will doom the future of our national transportation—and our national economy—to costly tieups such as we witnessed in the grain deal or whether our transportation will be a true asset to our Nation.

The choice lies before the Congress because they are the only ones who can break through the miamic mess of railroad problems with both a general overview of the needs and problems and the power to write the legislation to get our railroads back on the track again.

The ICC cannot do it because at this time we simply have not given them some powers they need, and they have not used the powers they have—and the same goes for the President.

The railroads cannot do it alone because they are as hamstrung in their own way as the ICC is in its. The problem is so longstanding, and past industry efforts have proven so ineffective, little hope remains for success here. Further, the structure of the industry—Independent and competing roads with differing individual set-ups and problems—repeatedly undermines the necessary close cooperation.

Only the Congress can meet this task—and so far it, too, has avoided it like the plague. Hearings have been held. Legislation has stood ready for committee consideration for months on end. Everyone is willing to stand up and denounce high food prices, high lumber prices, shortages of fertilizer, and shortages of freight cars. But no one seems willing to sit down and really do something about it.

I challenge this Congress to do just that—to sit down and take a good, hard look at an integral part of our economy—at something which represents 20 percent of our GNP—our transportation system. And do something about it.

I spoke to you earlier about shortages in last year's grain sale of 36,000 cars per day or more. I mentioned that this year we are already running shortages of 25,000 cars, with the major winter crunch still before us.

Although they have to shoulder some of the blame like everyone else, we simply cannot put this off as railroad sluggishness.

Our hearings and studies of the situation across the country show that after the initial shock of the size of the grain sale all parties involved tried to work together, to do the best they could as a joint effort.

They are trying again this year.

But once again, it simply will not be enough. All that we are seeing now is an acute example of a chronic illness.

#### THE PROBLEMS AND THE SOLUTIONS

The real crux of the problem can be divided into three general areas: first, actual shortages of cars; second, poor utilization of cars we have; and third, the structure of rates, regulations, and penalties now in use.

There are other areas which need attention as well. I mentioned earlier the problems with outdated port facilities and lack of storage facilities for the grain. There is the fact that the necessary back-up equipment for any railroad—meaning its roadbeds, its rails and ties, its terminals, classification yards, and signaling systems—are often in deplorable condition.

One expert noted that new rail is being installed at a rate that would be adequate only if rail could last more than 150 years instead of about 20. And, he noted that the rate of tie replacement would be adequate only if ties could last more than 46 years instead of about 20.

Moreover, the better we get at producing more cars and getting them moved around, the more wear and tear there will be on the whole industry plant.

But today I want to concentrate on three aspects of the problem—and three legislative solutions—which I think cut to the heart of the issue before us in the coming months.

#### FREIGHT CAR SHORTAGES

Since 1960, the capacity of the rail car fleet has increased about 8 percent. But total demand for inter-city freight transportation increased 45 percent.

Moreover, what gains there have been in usage in the past decade cannot be repeated in the 1970's. The 1960 gains relied mostly on an increase in the average rail car size—and roadbed conditions as well as shipper needs do not call for many more gains simply in car capacity.

Even under the best of imaginable circumstances, the rail carriers need an average of 62,000 new and rebuilt freight cars annually for replacement purposes and another 130,000 new cars to catch up with the current backlog.

This past year the railroad industry ordered 50,000 new cars. But this not only means we are making no headway on the backlog; we are adding to it.

The current structure of the railroad industry does little to help the situation.

The decline in numbers of cars is most concentrated in general service cars such as gondolas, hoppers, and boxcars. Although there has been an overall decline in the total number of cars, there has actually been an increase in railroad ownership of special purpose cars and of nonrailroad ownership of cars.

The tendency toward specially equipped cars is easily explained because they are easier to keep track of and they return higher profits.

But this also means the flexibility of the rail system is reduced. These cars are often sent back to their points of origin empty. And the small shipper, dependent on general purpose cars, is placed at more and more of a disadvantage.

The small shipper and the weaker railroad have trouble acquiring sufficient cars because they cannot get the financing to build what they need. Other roads, stronger financially, can meet their own needs, but cannot catch the slack from their weaker partners.

If those roads which are chronically short of cars could get on an adequate acquisition program stronger roads might well be able to build more cars as well—knowing that the cars would not be immediately appropriated for the use of other roads.

I have introduced a bill which contains two parts. The first is pertinent here. It is designed to assure an adequate supply of freight cars for the movement of the Nation's goods by helping to finance the purchase of freight cars. I am proposing a Federal Railroad Equipment Obligation Insurance Fund which will be used by the Secretary of Transportation as a revolving fund to insure the interest on, and the unpaid principal balance of, any equipment obligation which the Secretary determines eligible for such insurance.

I have tried to include safeguards so that this revolving fund will be used wisely. There are also stiff criminal penalties provided so as to discourage any improper use of the fund.

#### FREIGHT CAR UTILIZATION

Even more critical, however, than shortages because of a lack of equipment are shortages caused by poor utilization of what equipment we do have.

Commissioner Rupert L. Murphy of the ICC testified before the Interstate and Foreign Commerce Committee's Special Investigations Subcommittee that 50 percent of the current shortage could be eliminated through an improvement in utilization of equipment. Santa Fe claims a mere 1-percent rise in utilization would mean for them, in effect, the addition of 200 cars to their fleet.

Right now, the average freight car is in movement only 11 to 12 percent of the time—or less—and it is moving loaded only a little over half of that—7 percent—time. A freight car today is in paying service; that is, loaded and moving only 7 percent of its lifetime. It spends 30 percent of its life in a classification or interchange yard; 40 percent in the process of loading or unloading; 13 percent waiting to be unloaded; and 5 percent out of service for repairs.

It takes little imagination to see why there are shortages when expensive capital such as rail cars are given such poor usage.

There are other factors which weigh in the utilization problem.

While the loading and unloading process has been speeded up, little progress has been made in the time it takes to get from one point to another since the complete conversion to diesel locomotives in 1960. Truckers get an average of 85,000 to 125,000 miles per year from the average trailer. The rail industry gets 20,000 miles per year from the average boxcar—almost four times less.

The Chairman of the ICC has pointed out that on days when shortages of, say, 2,000 freight cars were being reported

from some lines, other carriers were lamenting they had as much as 30,000 cars of all types sitting idle because of lack of demand.

Besides the problem of getting any cars at all, shippers also face problems such as getting the wrong type of car, getting cars all in a bunch—which increases the loading time—getting cars late, and getting cars in such poor working condition they have to make extensive repairs before they can fill the car.

And, of course, some shippers must also bear some of the blame—by ordering more cars than they really need, not loading or unloading them as quickly as they can, or employing circuitous routing for marketing purposes.

But even if all components of the industry work together reasonable utilization is still beyond the grasp of the industry.

Railroads need modern terminals which can handle heavy loads without jam-ups. They need modern classification yards, better signaling systems, and they need an industrywide computer tracking system of all cars.

One rail spokesman testified that computerizing their car management system allowed them to handle the same amount of traffic with 6 percent fewer cars. Another said he increased the mileage on his cars by over 12 percent; and another that he increased the number of trips per car by 18 percent.

But computers owned by individual lines cannot do the job alone—for they only extend to the boundaries of that line. When boxcars are typically off-line 60 percent of the time, gondolas 45 percent, covered hoppers 40 percent, and open hoppers 30 percent, this leaves a mighty big hole still to be filled.

It makes it extremely difficult—especially if there is no other incentive to do so—for railroads to get together and plan how to meet massive orders like the grain sales of this year and last.

Coordination at the national level is essential to minimize disruptions caused by massive bulk shipments. It is essential as well to minimize disruptions which have been a daily part of railroad life for decade after chronic, costly decade even when there has been no acute crunch.

Freight car shortages are a factor of double entry—actual shortages and utilization of what we have.

The second portion of the bill I spoke of earlier attacks the utilization aspect. It provides for the design and implementation of a national rolling stock information service using computer and communication techniques. This will insure that every freight car in the country is used to its maximum efficiency. The Secretary of Transportation is responsible for the development of this service. We now have tools available to tell us where every freight car in the country is, and when it will be available. This information needs to be ready to use as soon as possible so that none of our freight cars is lying idle when the need for them is so great. The Secretary of Transportation will make rules to insure the confidentiality of certain types of competitive information supplied for use in connection with the system.

#### THE GOVERNMENT'S ROLE

To handle all the increased load the railroads must carry, we need more cars, better use of them, and a revamping of the government's role in the whole operation.

Until now, the ICC and the Congress have spent inordinate amounts of time settling disputes within or between various rail lines. For instance, this Congress held hearings in 1955, 1956, 1959, 1961, 1963, and 1965 on the problem of incentive per diem charges. This was an effort to force rail lines to get cars they were borrowing from other lines back to the owner line as quickly as possible.

But while it was a needed effort to be fair to carriers who owned cars loaned out, the incentive per diem actually can work contrary to efforts to get cars where they are most needed.

There is no reason why the ICC cannot instead devote more effort to updating the frankly notorious system of accounting used by the railroads. The present system has seen little change since its introduction in 1907. It is virtually useless if one is seeking to install cost-conscious management control.

While some individual carriers have developed their own cost accounting systems, there is no uniform approach—and therefore no uniform data to help the whole industry. A system of economic rewards and punishments based on cost accounting could be extremely useful.

There is no reason why the ICC or the Congress, or some designated body cannot wade in to untangle the costly, defeating hodgepodge of rates now encumbering the whole rail industry.

In the recent grain shipments, for example, Houston lay clogged to the ears, while nearby Brownsville lay easy until the situation was acutely desperate simply because the rates to Brownsville were so much higher. The industry is to blame for this.

Incentives to improve on both actual shortages and utilization clearly lie more with the Federal Government than with the individual lines caught in a life and death struggle to maximize individual profits.

Time was when we thought all the railroads needed was a new increase in percentage of national freight sent their way. But while the actual percentage has dropped, the actual load has doubled. And at no time have the railroads had a better chance to prove this theory—or hope—than last year, when their load jumped drastically.

Instead, it only created more wounds and deepened old ones.

Cutting to the heart of both freight car supplies and freight car utilization, I think we need to give clear and unmistakable authority to the ICC or some proper regulatory agency to impose meaningful, significant, or heavy fines whenever there are unnecessary delays in the movement of freight cars.

We must get away from the illusion that it is easier to rent a car and pay demurrage charges than it is to own one.

The only way to do that is to slap a heavy fine on the offending party. I am not saying the fine should be automatic and with no appeal; but the burden of

proof should be on the party charged to show there was no other way to get the car moving.

So far we have relied on a voluntary approach between the AAR and the ICC. The system has worked fairly well—when we have had a surplus of cars. They have imposed some demurrage charges—but there are no real teeth.

The ICC should be able to impose a heavy fine, if necessary, on any shipper, any carrier, any elevator, any consignee.

Until it is shown that it is downright costly to hold back the movement of freight cars we will have tongue-in-cheek compliance instead of fluid movement of freight cars.

There is no reason why the Congress and the ICC cannot move forward now on two other, closely related fronts.

They entail planning ahead.

A second bill I have sponsored is designed to prevent another chapter in the continuing tragedy of the Russian wheat sale. The bill provides that whenever an exporter contracts to export over 1 million bushels of grain he would have to submit a transportation plan to the Department of Transportation for moving that grain. DOT would have to certify the plan as not jeopardizing the transportation system of America, or no export subsidy could be paid to the exporter by the Department of Agriculture. Again, penalties are provided for violation so as to discourage anyone from neglecting to comply with these provisions.

If a plan is approved by the Departments of Agriculture and Transportation, then we at least will know the problem is being tackled and the system will work.

It is the only way I see to protect the railroad and the average American consumer who must pay the price for transportation snarls.

This bill might not sound like an earthshaker, but it could be the beginning of a national transportation plan—something we desperately need.

The third bill I have sponsored also seeks to give us a jump on freight car crunches. It gives the Interstate Commerce Commission authority over railroad car service not only during an emergency as it is presently provided by law, but gives them authority to act if an emergency is imminent. In other words, we are giving them power to act before we are already in serious trouble. This is my bill in simple terms. Of course, the guidelines are somewhat more complicated, but I will provide the Members of Congress the full draft of my proposal in the near future.

The need for this legislative program is obvious. We have already waited too long to act to resolve the crisis of the freight cars. Our goods are tied up in warehouses, storage costs are mounting, the public is becoming increasingly irate over the delay in shipments and yet nothing is done. We have got to begin to think ahead and plan so that this intolerable situation does not continue. The three things my legislation proposes are not merely stopgap measures. They are designed to provide an orderly, long-

range plan for the movement of our Nation's goods.

In summary, if we are to continue to move our Nation's goods in ever increasing quantity for our own growing population as well as our commitments overseas, we must: First, provide more freight cars by making it easier to finance them and establish a computer system so that we can efficiently use the freight cars that we do have; second, provide for mandatory advance transportation planning for large shipments; and, third, provide that the Interstate Commerce Commission can act before an emergency.

We can refuse to act. Transportation costs are paid for by the American consumer. The lack of planning means those costs are higher. Our consumers are already groaning under the inflation that now grips this country as a result of a lack of planning by the administration. Part of this inflation can be directly traced to the increased costs of transportation, especially for agricultural products. Unless we free the freight cars to carry bulk goods we cannot cut these costs. The American consumer needs help. He deserves our support.

I conclude by saying let us act now to solve our transportation crisis. I have legislation that will move toward this goal. It will help our economy, and God knows our economy needs help. I commend this legislation to my colleagues.

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

Mr. PICKLE. I yield to the gentleman from Iowa, who has been very concerned about this matter and who shares this special order this afternoon with the gentleman from Kansas (Mr. SKUBRZ), and me.

Mr. SMITH of Iowa. I commend the gentleman for taking this special order. The gentleman serves on the Committee on Interstate and Foreign Commerce. He is, I believe, one of the few Members of Congress who really is aware of the extent to which the transportation crisis in this country is upon us.

Mr. Speaker, I recall that it was only a year ago now that a few people were saying that we were going to have a fuel crisis. For the most part that type of comment was met with ridicule. The idea was that we have never had one, so we need not worry now.

The same thing applies to transportation at this point. People will not believe how bad the situation is because we have never really gotten completely stalled yet in this country, although it came close to it last year.

We still have people who think that the only problem concerning transportation in this country is the Penn Central Railroad. That is such a small part of the transportation problem that we can even forget about it if that is all the problem there is.

As a matter of fact, the heart of the country, where the production has been increasing the fastest, is the Midwest, and in other parts of the country, and that is the section where the transportation has not been increasing as fast as production. That is where the real problem lies. This problem has gotten to the

point that it affects not just the people who live in one area of the country, but it affects the entire country.

Mr. Speaker, the gentleman mentioned the Russian wheat sale. We also saw the situation on soybeans and corn this past summer. We have quite a different situation with respect to some grains. It is a tight situation, supply and demandwise.

When the July option of corn was expiring, there was not enough corn in Chicago to meet the long contracts, and there was not adequate transportation to get it there. Therefore, those who were on the long side of the market were able to just sit and be satisfied that the shortage could not be alleviated, because the transportation was not available. So they put the squeeze on, and in one day corn shot up \$1.30. It was not really because the shortage of grain justified that kind of an increase; it was because the transportation was not available to put that commodity on the doorstep.

The same thing applied to some other options on soybeans. It helped the speculators to put the squeeze on the market.

Transportation is absolutely vital in this country, and yet we are still trying to base our pricing system on the back-off price at some certain point, but we do not have transportation so that we can be sure we can get to that point. So this is a very vital problem which the gentleman has brought up.

Mr. Speaker, I will point out also that in our section of the country we have the Rock Island Railroad, which delivers a major share of grain from the Midwest to the Gulf. We have had for several years a drastic shortage of boxcars available to the west coast as well as boxcars to bring the grain back to some of those areas out there. Yet there just is not enough being done about it.

In addition to not having enough boxcars, the trains on much of this road now have to travel about half the speed they used to travel, so it would take twice as many even if they had enough boxcars, because the tracks are in such bad shape and the beds are in such bad shape. So it is enough of a problem that something should be done to alert the Congress about how bad this is so that they will move.

Mr. Speaker, that is why I commend the gentleman for bringing this matter up, in order to help alert the other Members of Congress so they will help support whatever corrective action is necessary.

The first thing to do is to recognize the problem. The people in the Department of Transportation are aware of a problem, but I will say this: I believe that they think the whole problem is in the 17 northeastern States. That just is not so. Those people are not going to get the goods delivered unless the problem is solved in the entire country.

In addition to that, we must have the Members of Congress aware of how difficult the situation is so that we will bring the right pressures and support the right kind of legislation.

Mr. Speaker, I commend the gentleman for his special order.

Mr. PICKLE. Mr. Speaker, I thank the gentleman.

I wish that there were some way in which we could make the Members of this body conscious of the fact that we have to improve our transportation system to provide for the handling of a large shipment of grain. We read it in the paper, we talk about it.

One Member told me recently:

I came to Washington 30 years ago, and the number one crisis then was the shortage of freight cars, and today it is the same thing all over again.

Mr. Speaker, we must find an answer, but each year it has been getting a little bit worse, and we are going to have a real crisis on our hands. We never had any crisis in the Midwest as bad as the one we had last year.

Mr. SMITH of Iowa. Mr. Speaker, last year I believe one of the most deplorable aspects of the whole thing was that Government officials themselves who were involved were not cognizant enough apparently of the seriousness of the transportation shortage that it entered their minds to the point they would even think about it.

Mr. PICKLE. I think it is interesting at this point to read to you a portion of a statement—I will put it in the RECORD—of a story that appeared, I think, yesterday in the Washington Star. It was written by Marian Burros, and reads as follows:

Ex-U.S. OFFICIAL'S VIEW—"MISTAKE" ON WHEAT

(By Marian Burros)

CHICAGO.—A former official of the Department of Agriculture has admitted that the department made a "big mistake" in continuing the subsidy on wheat sold to Russia in the summer of 1972 long after it was needed.

Richard Lyng, who recently left his position as assistant secretary at USDA to become president of the American Meat Institute (AMI), told a reporter who asked about the subsidies: "In hindsight, it looks like a big mistake. They (USDA) should have moved quicker." The subsidies cost the American taxpayer millions of dollars.

But, as if to explain the difficulties the USDA encountered in that massive wheat deal, he added, "I'm not sure we're geared up properly to handle exports to countries that are not democracies. Some of the buying nations are monopolistic. They do not have competitive buying and selling like we do. We must have a monitoring system of our agricultural exports. A country which could be an enemy could affect our entire food supply."

Lyng, who is opposed to most export controls, said that the United States might be "the only major exporting country without a monitoring system."

In his prepared remarks before the Annual Newspaper Food Editors Conference, Lyng said that, while "we are going to see some really good buys at the retail meat counters in the next few weeks," we are still going to "be paying the price of the wage-price freeze for a long, long time."

There will not be as many cattle this winter, he explained, as there would have been without the freeze, but whether the prices will rise steeply again will depend on the demand.

So far the demand is not there and Herrell Degraff, outgoing president of AMI, may have hit on the reason.

"I was disgusted with what I saw in the stores yesterday," he said. "Prices have not followed" the dramatic drop in wholesale

quotations for beef, down from their 1973 peak of 56.4 cents a pound for choice steers to 38.5 cents last Wednesday.

Degraff expected to find many more "specials" in the stores than he saw. An advertised Washington special this week for round steak at \$1.59 a pound was about 30 cents more than what he would consider a "good value."

The continued high prices as well as the quality of the beef in the stores "is not as good as it should be," he explained. "The cattle got too fat," during the freeze when producers were holding them off the market.

Whether consumer demand for beef will return, and reach 1972 highs is a question the AMI is not prepared to answer.

Mr. PICKLE. I might add, it cost the American taxpayer nearly \$300 million in subsidies.

It is good for us to sell our grain, for us to empty the elevators and move the grain onto ships and across the way. The contention is that it helps the balance of payments. To an extent that is true; but when we also pay \$300 million in subsidies to exporters, I ask wherein lies the profit except to the big grain exporters.

Mr. SMITH of Iowa. You remember July 5, when Continental bought all this grain. Then 2 or 3 days prior to that when they gave the assurance that subsidies would be available to encourage them to move the grain, they did not even consider the possibility that they might be creating a transportation problem.

Mr. PICKLE. We must say that the intent was to sell a large amount of grain. To move it the Russians called and raised the amount desired two or three times. But they did not intend to snooker us as bad as we were.

We must give the Government a good intent, but the net result of their action to move that grain was chaos.

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

Mr. PICKLE. I yield.

Mr. WILLIAMS. I thank the gentleman for yielding.

I would like to say that I agree vigorously with everything that was said.

What we do need in this country is a balanced transportation system. I am talking about rail transportation as well as highway transportation and air transportation.

We must keep in mind this Government has subsidized highway and air transportation to terrifically large amounts.

We have permitted our railroads to run down while forcing them to maintain their roadbeds in places where they are forced to go into bankruptcy. The trustees that were appointed to put the railroad lines back into operation have had little or no experience on actual railroads.

I can refer to the Penn Central Railroad where of the four trustees named only one man, Willard Wirtz, had any experience in handling people and was familiar with railroad problems. He walked off the job almost a year ago, leaving a Harvard professor, a man who was in the department store business and a man who was an attorney that headed the Baltimore & Ohio before it combined with the Chesapeake & Ohio.

Another thing that is wrong with our railroads today is that they do not have enough freight cars. I have to disagree with my distinguished colleague, Mr. SMITH of Iowa, when he says the Penn Central problem is a very little part of the whole problem. It is only a part of the problem, but it is a very significant part of the problem, because if you are shipping wheat or anything else from Iowa to the East Coast, the Penn Central Railroad has got to be the connecting link.

Right now, today, as we are talking about this, the Penn Central has 15,000 rail cars out of operation due to defects. They virtually have shut down their second shift operation there in the Altoona plant for servicing these cars.

At the same time the Interstate Commerce Commission has been extremely slow in granting any rate increases or decreases which the railroads have asked for.

I want to compliment the gentleman from Texas for bringing this matter to the attention of the House. I myself will have a further statement on the subject.

We have to have our railroads viable and in business. The Penn Central Railroad alone is employing over 80,000 people. This is a matter which deserves the attention and the fullest attention of every Member of this House.

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

Of course, I might point out to the gentleman that I realize that what the gentleman from Iowa (Mr. SMITH) was saying, was that the proposition of freight cars and transportation tieups are not regional in nature any more; they have become national, and when little fingers spread out all over the United States whenever congestion or a bottleneck in one part occurs, then that backs up every other section.

Our Nation's railroads are experiencing real difficulties now, and I would like to point out that in the eastern section they are really a receiving line; freight cars are shipped in there, and it is difficult to move them out.

But, I say, it is a national problem, and until we can get a national transportation policy we will be faced with the same situation over and over again.

One part of the legislation we have introduced states that before there is any large shipment of grain in excess of 1 million bushels of grain by any one exporter they must file a plan with the Department of Transportation, and the Department of Transportation must make a finding in writing to the Department of Agriculture saying that this kind of a shipment of grain can move, and move efficiently, and without further disruption to our economy.

Maybe this will be the beginning of a national transportation policy. I hope we can move this legislation forward because there is a definite need for it.

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

Mr. PICKLE. I yield to the gentleman from Montana.

Mr. MELCHER. I thank the gentleman for yielding.

Mr. Speaker, there is a Farmers Union

elevator in Sidney, Mont., which is an excellent example of the railroad car situation in our State, which will be able to load out all of the 1972 wheat it has on hand—last year's crop—at the present rate of its railroad car allowances, some time in 1976—3 years from now.

The gentlemen from Texas, Kansas, and Iowa have taken this special order to tell of car shortage problems in their States and across the country.

I just want them to know that things can get worse; indeed, they are always worse up in Montana because we are the last to harvest wheat, and we do not get grain cars—not even those that belong to our own railroads—until they are through using them in Texas, Kansas, and of course, Iowa needs cars for its corn.

The wheat harvest starts in Texas and grain cars are routed there. They "tend" to move north as the harvest moves north and wheat becomes available—but they only "tend" to move north. Getting cars through the so-called Denver Gate into our northern wheat country is an almost impossible task; they are kept south of us just as long as the railroads and the shippers in Iowa, Kansas, and Texas can hold on to them, regardless of the penalties that have so far been levied by either the American Association of Railroads or the ICC for keeping cars off line.

When the annual car crunch starts—and it has been an annual affair for us in Montana for years—we generally find the Burlington-Northern and Milwaukee railroads operating with 60 or 65 percent as many cars on line as they actually own. It has fallen under 60 percent at times. The annual battle then starts to get exclusion orders, imposition of penalties, and other actions to force cars back into our country.

I must say, in fairness to the Burlington-Northern railroad, that they have been car builders; they have annually been adding substantially to their fleet of covered hopper cars which carry grain. This year they have bought 1,000 new ones at a cost of \$16 million.

But it is a discouraging business; they have a hard time to keep them on line after they build them. Once they get down South, or on one of the bankrupt Eastern lines, it may be months before their wheels run on Burlington-Northern tracks again.

The failure of American railroads to provide adequate transportation to agriculture in this Nation is not just costing them money; it is costing producers tens and hundreds of millions of dollars.

The Des Moines Register carried an excellent article by Arlo Jacobsen, their agribusiness editor, recently, reporting that every time a trainload of corn goes out of Iowa, farmers lose \$47,500 in the form of an extra "take" of 25 cents per bushel claimed by leased car operators for use of cars, mostly the big grain companies.

Tight transportation has caused the spread between the farm price of grain and soybeans to grow to an unconscionable amount.

The July issue of the Department of Agriculture's Foreign Agriculture report

noted that last winter the differential between inland prices to farmers and gulf prices for wheat, corn and soybeans had jumped from 25 cents per bushel to 40 cents in the case of wheat, 50 cents for corn and 70 cents per bushel for soybeans.

The Foreign Agriculture magazine reported:

The severe transportation shortage led to an unusual price relationship between domestic and export grain prices. Ordinarily, the price of grain at Gulf ports is about 25 cents higher than the price at inland production areas . . .

Following the closing of the Great Lakes ports in December (1972) the difference averaged over 70 cents per bushel for soybeans, 50 cents per bushel for corn, and 40 cents for hard winter wheat.

Normally, both domestic and export demands combine to set the price at inland markets. During early 1973, however, export and domestic market systems became separated by a transportation tie-up.

This is money right out of the farmers' pockets.

The farmer, like other producers, ordinarily receives the price for his product at the point of ultimate consumption, or export, less handling charges and freight to that point. Since much of our grain is being shipped overseas the price the farmer receives for grain destined for export is its value at the docks less transportation and all the handling charges. It has always been that way. But what is different now is that our transportation is so inadequate and inefficient, extra handling charges are being assessed just to provide the wheels to move it.

Two soybean operations by the National Farmers Organization illustrate that point. Last January, the NFO signed up member soybeans on two different occasions, arranged to truck them to their own leased barges, and sold them at the gulf for a price which netted the producers 35 cents more than quoted prices in Nebraska and 30 cents more than quoted prices in Toledo, Ohio, the Nation's No. 1 soybean market center. NFO reports getting similar results on corn trucked and shipped in their own leased equipment.

The Arlo Jacobsen story about the high cost of "wheels" to move farm products to market reports that one Iowa elevator was able to offer only \$2.10 per bushel of corn on a day when the corn was worth \$3.05 at Gulf—a 95 cent per bushel spread to cover transportation which, Jacobsen reported, was actually 27 cents per bushel in single carlots, 21 cents per bushel if carried by a unit train, and even less by barge.

Jacobsen reported that the bulk of the leased cars earning fancy price differentials for their owners are the same big grain firms which handled the Russian wheat deal.

In fairness to independent local elevators dependent on the railroads themselves for their grain cars, it is only fair to say they have had to widen their margins on grain purchases to protect themselves against the cost of carrying grain for weeks or months until the boxcars

Many elevators, including cooperatives in the Montana area, now accept grain only with the understanding that it will be paid for when sold and shipped. Some offer to pay when sold, or in 6 months, whichever comes first. But if an elevator in Montana these days buys a bushel of wheat outright, it may have to hold the grain for months before it is sold and he can repay the bank's loan of operating capital with which the grain was purchased.

The interest on \$4 at 10 percent interest rates is 40 cents per year, or 3 1/3 cents per month. In 6 months, the interest on \$4 to buy and hold a bushel of wheat eats up 20 cents. Add 25 cents for the use of one of the big grain companies' leased cars, the elevator's cost of insurance, storage and handling, and the farmer-producer has lost a very substantial sum—it does not take a big wheat grower in our country to lose \$5,000 or \$10,000 of income as a result of inadequate transportation facilities and outrageously high interest rates, in addition to footing the bill for actual freight charges which have been going up at least once and sometimes twice a year.

One of the aspects of this matter which I hope Congress will investigate is the imposition of a special charge—either directly or by discounting prices offered—for the use of leased cars. Interstate freight rates are supposed to be regulated by the Interstate Commission. An assessment for use of freight cars is an additional freight charge. It appears to be a new way of avoiding or getting around regulation, legally or illegally. If the big grain companies with fleets of leased cars are assessing huge charges for use of transportation equipment—at 25 cents per bushel it runs around \$750 for one time use of a hopper car—then we should call on the ICC to regulate them, and advise Congress if they need any new legislation to do so.

I am advised that hopper cars lease at around \$250 per month, but earn back their lease payment if they travel 1,700 miles per month, costing the lessor nothing in that event. Charging \$750 for use of that car, on top of normal freight rates, to move one load is profiteering.

Years of boxcar shortages and tolerating unplanned, inadequate, and excessively expensive transportation facilities in the United States has now been climaxed with the worst transportation mess in our history.

We are soon to be confronted with a new transportation crisis yet this fall—inadequate facilities to move livestock from the ranches and ranges of the West into feedlots. The railroads have virtually gone out of the livestock transportation business in spite of their obligation to serve the public convenience and necessity. Many truckers have parked their livestock trailers and contracted to move some of the grain that the rails are unable to handle. Thus, transportation may prove the next major obstacle to getting meat production moving again.

It is time that this Congress took the initiative to find a solution to the trans-

portation mess. Obviously the administration and the Interstate Commerce Commission are not going to take adequate initiative. Time is short. We need the earliest possible action to forestall aggravation of the shortages which are already plaguing the Nation.

Mr. PICKLE. When the special investigative committee last year was looking into the matter, it held one hearing in Montana, and the gentleman from Montana presented very valuable testimony to that committee and has maintained a very keen interest in it.

I think it is interesting to note that all the way from the Dakota and Montana area clear down to the gulf coast there must be a steady flow of this grain, and there must be plans made to move it; otherwise, unless we can get cars to move it and we can unload it at the port, we will get into a bottleneck.

It is significant, I think, at this point for us to realize again that just cars alone will not solve the problem. We have to have utilization. We have to have better port facilities. A lot of people do not realize that approximately 75 percent of the wheat export expected to be transported abroad this next year will be through the Port of Houston.

While we have got to improve freight cars, I say one of the most important things is that we must improve port facilities. The problem is that right now the railroads can move the grain into the port faster than the port can unload it at the Port of Houston or at some other point. This is a serious weakness.

Mr. MELCHER. The gentleman is absolutely correct.

#### EXTENSION OF CERTAIN LAWS RELATING TO PAYMENT OF INTEREST ON TIME AND SAVINGS DEPOSITS

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (S.J. Res. 160) to provide for an extension of certain laws relating to the payment of interest on time and savings deposits, and for other purposes.

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

Mr. ROUSSELOT. Mr. Speaker, is the gentleman opposed to the bill?

Mr. WIDNALL. I am not.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I am, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas is recognized for 20 minutes.

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

Mr. Speaker, Senate Joint Resolution 160 would direct the various Federal banks, savings and loans and mutual savings banks regulatory authorities to impose rate ceilings on so-called wild card

certificates under \$100,000. This we hope will assure a flow of funds into thrift institutions so that home mortgage loans can be made at reasonable rates.

Yesterday the other body passed a resolution which we did not anticipate and we did not know too much about until this morning, but it is argued and contended by the other body that this will stop the flow of funds from thrift institutions into commercial banks.

Commercial banks all over the Nation today are advertising interest at from 7.5 percent on up, depending on the locality, guaranteeing those who want to sell money for 4-year certificates of deposit 7.5 percent or above. If it is 10 percent, they will get 40 percent for the 4 years, guaranteed by the commercial banks.

Of course, the thrift institutions cannot compete against these rates and make reasonable mortgage rates. After all, we have to rely upon the savings and loans and similar institutions such as mutual savings banks for money for the home-building industry. Since 1932 when the Home Loan Bank Board Act was passed, the savings and loans and similar institutions, cooperatives and mutuals have done a splendid job in building homes for the American people. Had it not been for those institutions we would not have one-half the housing we have in America today.

They have done a wonderful job. They were the only ones who were providing long-term loans at reasonable rates of interest. The commercial banks were not against home building and they did get into interim financing and things such as that, but that was not sufficient. It takes long-term loans for people to be in a position to build homes.

We cannot sincerely fight for environmental quality that we are all fighting for today without providing also for sanitary and decent housing and the right kinds of homes for American people which they can buy at reasonable prices and at reasonable interest rates.

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

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

Mr. GROSS. What is the gentleman saying that this bill would take from one to give to the other?

Mr. PATMAN. No, it is not that way.

Mr. GROSS. Would it favor one to the disfavor of the other?

Mr. PATMAN. This is just for home mortgages. We cannot do without such institutions in providing homes for people. The committee met just awhile ago and approved this. We had 10 more than a quorum.

Mr. GROSS. If the gentleman will yield further, I do not think he has to emphasize the fact that the committee just met and approved it on a crash basis.

Mr. PATMAN. Mr. Speaker, let me tell the gentleman why it is a hurry-up matter. This is the last suspension date for 2 weeks. If we do not pass this before midnight tonight, it will be 2 weeks before we can take it up, and during that time all these bad things that are happening right now will continue at an

increased rate to happen during that time.

It would not surprise me if a lot of savings and loans would have a great deal of trouble in keeping their heads above water.

Mr. GROSS. Mr. Speaker, what are these bad things?

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

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

Mr. WILLIAMS. Mr. Speaker, I would like to answer the question of my distinguished colleague from Iowa as to what are the bad things.

This is the bad thing: On July 5, 1973, without any notice or any consultation with anybody on the Banking and Currency Committee, Dr. Arthur Burns, head of the Federal Reserve Board, took the interest ceilings off certificates of deposit of 4 years up to \$100,000. This simply meant that the commercial banks could pay 8, 9, 10, and 11 percent for certificates of deposit, which no savings and loan could equal or no mutual savings bank or anybody else. As a result, actually billions of dollars have flowed out of saving and loans and mutual savings banks into these commercial banks.

Today, in the State of Pennsylvania, if one wants a mortgage, he must take out a mortgage in excess of \$35,000 and he is lucky to get it for 11 percent. He must take it out for over \$35,000 in order to get around the State law, which is the usury ceiling. This has cut down new home building starts virtually to zero.

All this does is require the regular agencies to reestablish equality by placing interest rate ceilings on certificates of deposit of 4 years under \$100,000. I do not believe that the ceiling on CDs of 4-year maturity date of over \$100,000 has ever had the interest rate ceiling removed, so there is nothing bad about this legislation.

It is only one small step in what we have got to do to correct a horrible condition that exists today. That is, to Mr. Rank and File American, there is no mortgage money available. Therefore, we are going to get a little equity to give the saving and loans and mutual savings banks and thrift institutions that make mortgage loans a chance to compete for deposit money with the commercial banks.

Mr. GROSS. If the gentleman will yield to me, does not this penalize those who have money to lend?

Mr. WILLIAMS. It penalizes those who have money to lend in no way, except that the ones that have money to lend can only lend at a certain interest rate. In other words, if I am a manufacturer and in a 50-percent tax bracket, I can pay 14 percent interest to build a new part on my factory.

Mr. PATMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman for yielding. I merely rise to commend the gentleman from Pennsylvania (Mr. WILLIAMS) for his excellent explanation of the problem that confronts the small commercial banks and

the savings and loan industry in the United States today.

I would also like to point out to my colleagues today that all this resolution does is to say to the coordinating committee, which is constituted by the Chairman of the Federal Reserve Board, the FDIC, and the Secretary of the Treasury, that they shall take action to limit the rates of dividends which may be paid on time deposits of less than \$100,000 as regulated by them.

I want to say to my colleagues in the House that we were almost unanimous in our vote on this legislation in the Committee on Banking and Currency. There will be criticism of the House if we do not pass this legislation because it will appear as if we are not doing anything about the serious problem that confronts the thrift and savings and loan institutions in this country.

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

Mr. Speaker, I have great concern about this legislation before us. I am as concerned as my colleague from Texas or my colleague from Illinois about the problem of the savings and loan institutions. It is extremely serious. It directly relates to the July 5 action of the Federal Reserve Board.

That is one of the reasons why we are presently considering legislation to do something about that power which the Congress gave to the Federal Reserve Board many years ago, and to do something about it constructively.

Be that as it may, my major concern about this legislation is that we do not know the total impact of the legislation. There were no hearings in the Senate. We had no hearings in the Committee on Banking and Currency in the House. We ran it through in 20 minutes today.

I tried to get some time to ask some questions, but I was denied the opportunity to ask questions, which I believe was unfair.

This was not unanimously passed by the committee. The vote was taken by voice.

The problem is that once again we are legislating in the dark.

I am just as concerned as anybody else in the Congress about doing something constructive to alleviate the arbitrary action of the Federal Reserve Board on July 5.

We were told in the committee, "We must go ahead and legislate, because it is needed." Then, when the question was asked of people who were supposed to know what it does, they said, "We do not know what it does, but we have to do something."

I believe that is an improper way to legislate. I believe it is wrong, and especially that will be so if we find, after we pass the legislation, that the Federal Reserve Board decides to raise the interest rates, say, to 10 percent, because they want to shut off the money even further. Then what will Members do, when they say to the savings and loan institutions, "We helped you." They will not.

I believe it is a mistake to legislate in this way. I am not critical of the effort to try to do something. We should try

to review a few of the basic problems we have. If Members want to check with the savings and loan institutions at home, now complaining about the problem, they will be told that probably in most cases better than 50 percent of this money now being withdrawn from savings is going to Federal bills and notes. The Federal Government is in competition for this money, because the Government is paying such tremendously high interest rates. That is where the money has gone. It has not gone exclusively, as was tried to be indicated, to commercial banks. That is false.

To say that we are going to alleviate that problem by passing this legislation is not correct. The legislation has had no hearings, either in the Senate or here. I believe that is just blowing notes into the wind. We are not being realistic with ourselves.

Several of my colleagues have said, "John, do not get excited. We will just pass this and show them we are trying to do something." That kind of action is deceitful.

I believe that is absolutely why the Congress gets a reputation of not knowing what it is doing. I believe it is wrong to legislate that way.

I am for helping the savings and loan institutions. When I asked the chairman about this, when we were discussing it in committee, he himself had to admit he did not know what the measure would do. Yet here we are rushing it to the floor at the last minute, as though we had no other means of handling this kind of a problem. We do have the means to handle this.

To say that this is going to solve the problem overnight I believe is a mistake.

Let us consider the interest differential on savings that normally existed between a savings and loan institution and a commercial bank. If we wanted to improve the flow of savings to the housing market, why did we not include in this legislation the suggestion of the gentleman from Texas, that there be a mandatory savings differential, as there was in the past? This was done when we established regulation Q.

That is if we really want to help the mortgage market and if that is the general intent. But we speak not at all to that issue. Somebody tried to put it in the Senate, and it was unsuccessful, because I say we are legislating in speed and in the dark without knowing totally what we are trying to accomplish.

Now, Mr. Speaker, I say that this Congress can act speedily. We have done it in the past. I say that we should have hearings on this before the Committee on Banking and Currency, that we should get out the people who are responsible or to whom we are giving responsibility in this bill, because we are delegating responsibilities to several regulatory agencies. We should ask them to come up and tell us what they will do. Will they solve the problem? Will they do something about it?

It does not say in this legislation that they will have to establish a differential between a commercial bank and a savings and loan.

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

Mr. ROUSSELOT. I would be delighted to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I am, of course, sympathetic with any objection that is ever raised on the floor when that objection goes to the failure of a committee to hold hearings. However, is it not a fact that we did hold hearings on regulation Q and the aspects of the present credit crunch?

Mr. ROUSSELOT. Mr. Speaker, is the gentleman saying we did?

Mr. ASHLEY. Of course, we did. We had 10 days of hearings on that, as soon as we returned from the August recess in the Committee on Banking and Currency. The Committee on Banking and Currency has held hearings preliminarily on the Hunt Commission recommendations, which goes to the very heart of the matter we are dealing with here.

Mr. ROUSSELOT. Mr. Speaker, that is the point I was trying to make. This legislation does not speak to that issue; this legislation does not speak to the issue of regulation Q. That is exactly the point I am making. As my colleague, the gentleman from Ohio, knows, this legislation does not solve that problem. It delegates power to the same agencies the savings and loan associations are complaining about to do what they could not do.

Is that not true? Is what I just said not true?

Mr. ASHLEY. Mr. Speaker, if the gentleman will yield further, I will be happy to respond.

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

Mr. ASHLEY. Mr. Speaker, the gentleman is entirely right when he says it will not establish a one-half of 1 percent differential between the savings and loans and commercial banks. The gentleman is on firm ground there.

However, what this legislation does do is to signal to the Federal Reserve and other financial regulatory agencies that something is wrong and we have that kind of disintermediation.

Mr. ROUSSELOT. Mr. Speaker, we have already clearly indicated that in the hearings we had on regulation Q, when they were up here to discuss more basic legislation on the whole subject.

My point is that this is totally cosmetic. As my colleague, the gentleman from Michigan (Mr. BROWN) said, it is nothing but a sop to make people believe we are doing something when we are not getting to the real problem.

Mr. ASHLEY. Mr. Speaker, if the gentleman will yield further, I would say that it would be a mistake for the Congress to set an interest rate at this juncture. I do not think that we are in the best position to do that.

Mr. ROUSSELOT. Mr. Speaker, I was not suggesting that. I am saying that it does not solve the problem to which the gentleman addressed himself on this regulation Q differential, and the gentleman knows that it does not.

Mr. ASHLEY. Mr. Speaker, we have certain banks offering passbook accounts of \$1,000 with 4-year maturity, offering

an interest rate of 9.5 percent. How in the world are savings and loans supposed to keep their share accounts deposited if commercial banks are offering this kind of interest rate?

Mr. ROUSSELOT. Mr. Speaker, I will remind the gentleman that this legislation does nothing to make sure anything will be done about that, and I reiterate that point. As a matter of fact, it puts it basically back in the hands of the Federal Reserve Board.

Some day we may learn the lesson of allowing the free marketplace to make the final decisions, rather than inserting the Federal Government into the breach.

Mr. Speaker, the gentleman from Pennsylvania (Mr. WILLIAMS) has requested 1 minute, so I will yield 1 minute to the gentleman from Pennsylvania.

The SPEAKER. The gentleman from California (Mr. ROUSSELOT) has consumed 8 minutes.

Mr. ROUSSELOT. I yield 1 minute to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Speaker, the statement has been made here that we do not know what we are doing. What we are doing is very, very simple.

What we are acting on is Senate Joint Resolution 160, which says as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. In carrying out their respective authorities under the Act of September 21, 1966, and under other provisions of law, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall take action to limit the rates of interest or dividends which may be paid on time deposits of less than \$100,000 by institutions regulated by them.

Let me just give you a couple of simple facts.

The SPEAKER. The time of the gentleman has expired.

Mr. ROUSSELOT. I yield to the gentleman from Minnesota (Mr. FRENZEL) such time as he may consume.

Mr. FRENZEL. Mr. Speaker, Senate Joint Resolution 160 is a well-intentioned bill whose stated purpose is to stop disintermediation in thrift institutions.

The conventional wisdom holds that 4-year "wild card" certificates, created early this July, have drained deposits from savings and loans to commercial banks. That may be the case, but unfortunately, the conventional wisdom is not corroborated by very much hard evidence. Actually, such surveys and figures as have been made available to the Banking Committee indicate that savings and loan deposits have been going to treasuries, commercial paper, municipals, and other investments.

Therefore, while the savings and loans plead for this bill, it is not very likely to give them any particular relief. If the regulatory agencies set the maximum interest too high, the cost of money to savings and loans will still be too high for profitable mortgage lending. If the

maximum is set too low, the savings and loans simply will not get the deposits in competition with investments listed above.

There is no reason to vote against this bill, but there is not much reason to vote for it either. Since there was no testimony, nor hearings, in either the Senate or House, we have no idea where the regulators will set the limits. If the limits of the Humphrey bill (S. 2454) are used, as one might imagine from the limited Senate statements on this bill, the rates will not attract deposits.

I intend to vote for Senate Joint Resolution 160, but I do not want to make any promises that it will do anything. I wish it were an effective "bandaid approach" until a full scale Hunt Commission-type package is passed, but I doubt it.

The best relief for thrift institutions will be a general lowering of interest rates so savings and loans are again an attractive deposit. Short-term treasuries are down substantially. If, indeed, interest rates have peaked, real relief will be in sight for thrifts. If the FRB has to fight the inflation battle alone, interest rates may stay high. The best long-term relief for all of us is fiscal responsibility—a more sensible approach to our big spending.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, this resolution is coming up under unusual circumstances; but let me point out what I believe to be the real purpose of the resolution. The real purpose is to instruct the Board of Governors of the Federal Reserve System that they made a mistake when they created the wild card.

We are not putting a ceiling on the interest they can pay or instructing them how much ceiling they should put. We are saying "Fellows, you have made a mistake. You have thrown the housing industry into total chaos. Now we are going to direct you to take some action to give some relief to the housing industry and their allies in the savings and loan associations."

I can see no harm that will come from passing this resolution. I think it will be a rather healthy thing that we have put the Federal Reserve Board on notice that they have to give some relief to the housing and savings and loan industries.

Mr. BROWN of Michigan. Will the gentleman yield?

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

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Speaker, all I want to do is inform the House that in my personal opinion, this is much needed legislation. It is legislation that I think truly deserves passing.

Mr. PATMAN. Mr. Speaker, I yield such time as he may use to the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Speaker, the Nation's home financing system has suffered a devastating blow since late July when

the Federal Reserve Board instituted its financial experiment of allowing 4-year certificates of deposit with no maximum of interest and no minimum amount.

According to figures recently released by the Federal Reserve Board and the Federal Home Loan Bank Board, the Nation's savings and loan associations lost \$313 million in savings accounts in July alone and \$102 million in other consumer-sized CD's. This was the first net outflow from savings and loans since January 1970.

By contrast, the country's 328 largest banks sold \$415 million in so-called "wild card" 4-year CD's during the first week of August alone and registered a gain of \$510 million in consumer-sized savings deposits by the third week of August.

The result of this startling flight of savings dollars to wild-card CD's is an enormous credit crunch that is diverting money away from home mortgages and locking a great many Americans out of the housing market.

In short, what we are witnessing is not a mere interest rate war, but sheer piracy on the financial high seas; a cruel irony in which the American dollar is so cheap abroad, but so expensive at home and the tragedy of it all is that the financial burden is falling mainly on the back of the working men and women of America who need help the most and can afford these high interest rates the least.

What we need now is fast, decisive action by the Federal Government to restore order out of virtual financial chaos. In Senate Joint Resolution 160 Congress has that opportunity and by acting now, we can cut short the threat to housing and home financing. If we do not act, we must face up to the dire prospect of literally billions of dollars being withdrawn from thrift institutions such as savings and loans and from investments in long-term home mortgages.

The result will be almost predictable: 9 and 10 percent mortgage interest rates which most prospective home owners will not be able to afford; home financing will be virtually halted; interest rates will jump even higher than they are now; and the Nation could be facing a major financial crisis before long.

The facts are well known, developed with great skill by the knowledgeable and extraordinarily competent members of the House Committee on Banking and Currency under the distinguished and gifted leadership of Chairman WRIGHT PATMAN.

I commend Chairman PATMAN and the members of the committee on both sides of the aisle for responding so promptly to the challenge before us, and for bringing this legislation to the House floor on such short notice, mindful of their responsibility and the urgency of the need to begin now to restore stability to the national money market.

Mr. Speaker, I urge my colleagues to support the chairman and the members of the Banking and Currency Committee who have the expertise drawn from years-long experience in this highly complex field of finance and in whom we

have repeatedly, with justification, placed our trust and confidence and who today have reported out this legislation by a near unanimous vote.

Mr. ROUSSELOT. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think we ought to put this resolution in totally proper context. As a practical matter, most of the speakers have been correct in what they said. It does not change the present situation as far as maximum rates on any time certificates, but it does tell the regulatory authorities, the Federal Reserve Board, the FDIC, and the Federal Home Bank Board, that some maximum rates must be imposed.

There is no question but what the regulatory authorities can impose a 20-percent rate, a 30-percent rate, and they have complied with the statute. So, as a practical matter, if you want to look at it from that standpoint, a remedy has been provided which provides no relief; but as a practical matter—and I think the gentleman from Georgia hit it as much as anyone—it tells these regulatory authorities that the Congress is concerned.

There are no maximum rates of interest on certain of these time deposits and possibly the regulatory authorities were wrong when they established the wild card.

They had better re-examine the premise on which the wild card certificate was based, and the Congress feels some action should be taken in that regard.

I would urge a yea vote on that resolution.

Mr. ROUSSELOT. I yield 3 minutes to the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Mr. Speaker, I support this resolution. I think it is very much needed at this time. It is not going to be a cure-all. It is not going to accomplish what some people think it may.

At the same time, if we are in a situation where there has been a constant drain, particularly on the savings and loan institutions, and when they need help, this can offer that help to them.

I certainly am sure that this can be an important step on the way toward stabilizing matters in the mortgage business and getting a return of healthy homebuilding for America.

Mr. ROUSSELOT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. I thank the gentleman for yielding.

Mr. Speaker, I strongly support this resolution. I appreciate the depth of feeling of my distinguished colleague from California. I think really he is objecting more procedurally than as a matter of substance. This thing might help, and we hope it will.

It cannot possibly do any harm, and I really think it will help. I think we should certainly adopt it.

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

Briefly in closing, I would say this: I think part of the unfortunate nature of this whole issue is that not only are we in a rush to try to help the savings and loan industry, we really have not spoken to the basic issue that my colleague, the gentleman from Ohio (Mr. ASHLEY) raised relating to regulation Q. What we really are doing today does not solve the need to improve the money flow into the housing market. We have not addressed ourselves to that problem at all, and I feel that we should have.

Second, it disturbs me greatly that the Senate would do this without any hearings and to think that we would do the same and put ourselves in that kind of a position.

I could not disagree more gently with my colleague, that this might possibly help. This is once again an attempt to delegate away from this Congress the basic power it has to do something about the problem, placing the responsibility with an independent agency that we thought had acted incorrectly. Another point: The major cause of outflow of savings from savings and loan associations has occurred in large part because Federal Treasury notes and bills are going at 8.5 percent and 9 percent.

My belief is that we should go back to the committee and come out with something more constructive.

Now, Mr. Speaker, I agreed to yield an additional minute to my colleague, the gentleman from Pennsylvania (Mr. WILLIAMS), and I do so at this time.

Mr. WILLIAMS. Perhaps my distinguished colleague, the gentleman from California (Mr. ROUSSELOT) might even yield me 2 minutes.

Mr. PATMAN. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania.

The SPEAKER. The gentleman from Pennsylvania is recognized for 2 minutes.

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman from Texas for yielding me the additional minute.

Mr. Speaker, we have been talking about this wild card, the certificate of deposit, and what it has done. Figures recently released by the Federal Reserve Board and the Federal Home Loan Bank Board show that the Nation's savings and loan associations lost \$313 million during the month of July 1973. At the same time the country's 323 largest commercial banks gained \$510 million in deposits.

The last quarter of this year \$10 billion in savings and loan deposit certificates mature. It is necessary to keep that \$10 billion in the savings and loan institutions.

I was asked the question before, does this not help the lender? I say no, it helps certain types of borrowers. I could not go into any commercial bank today and get a mortgage.

Unless we keep the money in the savings and loans and in the mutual savings banks, no one will be able to get a mortgage at anything like a reasonable interest rate.

What we are doing today is taking the

first step in a number of steps that must be taken to make it possible for the people of the United States to continue to be home owners. It boils down just to that. It is only the first of a number of things that we have to do.

Mr. ROUSSELOT. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, I thank the gentleman for yielding me this time.

I think that two points should be made. First of all, consistently throughout the discussion today we have been talking about the savings and loan problem. As a fact of the matter, small banks near cities with large commercial banks have the same problem in the credit squeeze because the liquidity of the small banks has not grown enough to pay the interest rates that the large commercial banks are paying, so it is not just the savings and loan banks are feeling the credit pains, but it is the small commercial banks in the large communities where there are large commercial banks.

Mr. PATMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Speaker, I will not take the full 3 minutes because I know the House is in a mood to vote. I appreciate the gentleman from Texas (Mr. PATMAN), apportioning this amount of time to me.

Mr. Speaker, I rise in support of Senate Joint Resolution 160. This legislation takes positive action to put a stop to the savings rate war which has thoroughly disrupted housing and home finance since early July.

On June 30, we voted to extend the interest rate control system which has "kept the peace" in the consumer savings markets since 1966. Just 5 days later, the Federal banking agencies violated the express purpose of our action and carved a massive loophole in this rate control law by permitting financial institutions to offer \$1,000 minimum, 4-year certificates of deposit without rate ceiling restrictions.

The net result of this hastily conceived gamble has been a massive shift of funds from savings and loan associations, which devote themselves to the housing needs of our Nation, into the commercial banking system.

Commercial banks, with their full range of investment opportunities—including short-term, prime rate, 10 percent loans to corporations and 10 percent to 15 percent consumer installment loans—can afford to pay 8 percent and 9 percent on these ceiling-free certificates to attract new savers. By contrast, savings and loan associations, with average earnings of 7.2 percent on assets, and operating expenses of 1.1 percent, cannot. Savings and loans cannot pay 8 percent and 9 percent to their depositors and still make funds available to American home buyers at reasonable interest rates on their long-term mortgage loans.

The magnitude of this problem is indicated by the fact that savings and loan associations had a net outflow of \$1.5 billion in July and August, at the same time that their commercial bank counterparts showed a net gain of \$2 billion in the ceiling free certificates. And, I am informed, that despite interest traditionally credited to accounts in September, that month, too, will show significant savings losses at savings and loans.

As many Members know, October 1 begins the traditional reinvestment period for persons with savings deposits. A telephone survey conducted this morning by the U.S. Savings and Loan League of savings flows in money center locations confirms what many experts had been predicting for this reinvestment period. Out of 19 associations, 18 reported significant losses in the final 3 days of September and the first day of October. A copy of this survey is attached.

The latest Census Bureau data indicates that the disappearance of money available for mortgages is already beginning to show up in home building activity, despite the long lead times in the housing business. Actual housing starts in August were at their lowest level in 2 years.

The U.S. Savings and Loan League estimates that new loan commitments dropped at a rate of about \$1 billion a month in both July and August and this depressing pattern is continuing in September. Unless something can be done to stop the savings rate war, the present trends indicate that a full-blown recession in home construction is inevitable in 1974. The league anticipates a continued decline in loan commitments so long as present unfavorable savings patterns continue.

The need for immediate action cannot be overemphasized. Savings and loan associations, which provide two-thirds of the housing credit in normal times, have over \$10 billion in savings certificates maturing in the quarter beginning yesterday, October 1. Because of the strict rules of the Federal Home Loan Bank Board, many of these savers were not permitted, without penalty, to "upgrade" their deposits into higher-yielding certificate arrangements in July and August. Commercial bank depositors, by the way, were not so restricted. The savings and loan customers are already unhappy, and their institutions can ill afford a continuation of the savings rate war in the ceiling-free certificates area. Experts say that upward of \$5 billion of the \$10 billion falling due could leave the home finance sector as a result.

Thus, I urge that we accept the legislation approved by the Senate to reassert our congressional mandate that savings rate wars not be permitted among our Nation's financial institutions.

Today may be the last opportunity to correct this situation before disastrous new outflows of savings occur from these institutions which are the mainstay of housing credit. I therefore urge prompt action this afternoon to accept Senate Joint Resolution 160.

The U.S. Savings and Loan League telephone survey report follows:

TELEPHONE SURVEY OF SAVINGS FLOWS IN MONEY CENTER LOCATIONS OCTOBER 1, 1973

Attached are reports of savings losses from savings and loan associations in money center locations, covering the final three days of September and the first of October.

These losses are substantial and continuing note especially the high levels of losses for reporting associations in: California, District of Columbia, Florida, Georgia, Illinois, Minnesota, New Jersey, New York, South Carolina, Texas, and Wisconsin.

Out of 19 associations, 18 reported losses for the final three days of September and the other institutions broke even. For October 1, no reports were available for 6 associations, in part because of time zone problems. Of the remainder, 2 broke even and all of the others suffered losses running at rates that in most instances, were heavier than for the final three days of September.

U.S. SAVINGS AND LOAN LEAGUE.

SAVINGS LOSSES<sup>1</sup> AT SAVINGS ASSOCIATIONS—FINAL 3 DAYS IN SEPTEMBER AND OCT. 1

Location	Final 3 days of September	Oct. 1
Minnesota	\$810,000	\$1,200,000
Do.	1,401,588	1,200,000
Do.	799,243	( <sup>2</sup> )
Wisconsin	800,300	250,000
Illinois	854,000	3,200,000
Do.	4,653,854	3,100,000
New York	( <sup>3</sup> )	600,000
New Jersey	2,000,000	( <sup>3</sup> )
California	3,700,000	( <sup>3</sup> )
Do.	3,500,000	*3,000,000
Texas	2,768,267	
Do.	1,179,000	( <sup>3</sup> )
Georgia	450,000	500,000
Do.	987,000	1,700,000
South Carolina	330,000	( <sup>3</sup> )
Florida	3,000,000	( <sup>3</sup> )
Colorado	141,000	450,000
District of Columbia	884,000	750,000
Illinois	1,511,000	( <sup>3</sup> )

<sup>1</sup> All are red figures.

<sup>2</sup> Not available.

<sup>3</sup> Even.

<sup>4</sup> 12 noon.

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

Mr. STEPHENS. Mr. Speaker, I want to thank the Chairman for taking the initiative to bring this to the floor. We have heard some criticism about the procedures. The first week in September we had exhaustive hearings on this subject about the very thing that we are talking about. There would be no need to postpone or to have any more hearings.

The second thing is that when we pass this kind of bill today, we are maintaining the integrity of the actions we have taken in the past in preserving the flexible interest rate formulas that we have put into effect.

The third thing is that we are not telling these people what to do except we are giving them a chance to listen to Congress and come forward with something that will be reasonable and will save the crisis that is now existing in the savings and loan associations. I think we ought to vote for this.

Mr. BROYHILL of North Carolina. Mr. Speaker, I rise in support of Senate Joint Resolution 160.

I am very pleased to note the quick attention which Congress is giving to Senate Joint Resolution 160. This legislation is needed to assure an adequate

flow of consumer savings into the home finance market. This resolution would bring to a halt the disastrous "interest rate war" which has been going on since the decision to permit the "wild card" certificate of deposit. Hopefully our home financing system will then be able to recover from this situation and a serious hardship will be lifted from many Americans who have found themselves locked out of the housing market.

Figures recently released by the Federal Reserve Board and the Federal Home Loan Bank Board show that the Nation's savings and loan associations lost \$313 million in July, their first net outflow since January 1970. At the same time, the country's 328 largest commercial banks gained \$510 million in consumer sized savings deposits in the 8-week period ending August 22.

This outflow of savings from our Nation's savings and loan institutions critically wounds new home building and new mortgages by severely restricting the availability of money for the mortgage market.

The facts are here for everyone to see. We are on notice of an impending crisis and we must act promptly. I urge all of my colleagues to support the resolution before us.

Mr. ANDREWS of North Carolina. Mr. Speaker, I rise to urge your support of Senate Joint Resolution 160, which requires the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to limit rates of interest or dividends which may be paid on time deposits of less than \$100,000 by institutions regulated by them.

I urge the House to take this action for a number of reasons of which two are primary.

First, there has been and is an acute slow-down in housing starts in our country. I read an advertisement in the Wall Street Journal today wherein a New York bank was offering to pay 9.59 percent for time deposits of \$1,000 or more. Such exorbitant rates are being offered by large banks in many parts of the country. This is causing billions of dollars to move out of savings and loan associations, mutual institutions, and small banks.

In my State of North Carolina, and I think in most States, the savings and loan institutions and others of like purpose have for many years been a prime lender for residential construction. Prospective home owners, builders, and contractors have far too few other places to go to secure money for residential construction. Certainly in my area and state, and I believe throughout the country, we need to encourage rather than discourage housing, both for those who need housing as residences and for those who are dependent upon the residential construction business for their livelihood.

The situation is causing great detriment not only to the contractors who should be building these homes and those who work for them but to untold numbers of subcontractors and suppliers. It is very adversely affecting such things

as the carpet industry and the furniture industry.

The critical situation which exists in the building industry is a very proper one for immediate consideration and action by the Congress. Much more needs to be done, but this bill is a step in the right direction which we can take today on behalf of hundreds of thousands of our citizens to whom we have an obligation.

The second reason I urge your support is to offer much needed assistance to our fine lending institutions. They are essential to our economy and must be protected by proper legislation and for the interest and benefit of the total public.

Our savings and loan institutions throughout the country have for many years furnished a major portion of the money for residential construction. They have done a good job. Because of the wild-card time deposit interest rates being offered without restriction or regulation by some of the other institutions, billions of dollars have in recent months been withdrawn from such savings and loan institutions for deposit elsewhere at outrageously high interest rates. We must protect our savings and loan institutions against this unreasonable and even outrageous competition. A new interest quarter begins this very week, and we need to act positively and now.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 160).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and to include extraneous matter, on the Senate joint resolution just passed.

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

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A REPORT ON HOUSE JOINT RESOLUTION 748, MAKING AN APPROPRIATION FOR SPECIAL PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a joint resolution (H.J. Res. 748), making an appropriation for special payments to international financial institutions for the fiscal year ending June 30, 1974, and for other purposes.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 9590, TREASURY DEPARTMENT, U.S. POSTAL SERVICE, EXECUTIVE OFFICE OF THE PRESIDENT AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS, 1974

Mr. STEED. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9590) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1974, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? The Chair hears none, and appoints the following conferees: Messrs. STEED, ADDABBO, ROYBAL, STOKES, BEVILL, SHIPLEY, SLACK, MAHON, ROBISON of New York, EDWARDS of Alabama, MYERS, MILLER, and CEDERBERG.

APPOINTMENT OF CONFEREES ON H.R. 6691, APPROPRIATIONS FOR LEGISLATIVE BRANCH, 1974

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6691) making appropriations for the legislative branch for the fiscal year ending June 30, 1974, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. CASEY of Texas, EVANS of Colorado, GIAIMO, MRS. GREEN of Oregon, Messrs. FLYNT, ROYBAL, STOKES, MAHON, WYMAN, CEDERBERG, RHODES, and RUTH.

CONGRATULATIONS TO HONORABLE AND MRS. JACK BROOKS

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

Mrs. BOGGS. Mr. Speaker, I would like to take this occasion to make a brief announcement, that on last evening Kimberly Brooks, the daughter of Congressman JACK BROOKS and Charlotte Brooks, was born in Georgetown Hospital. I know all our colleagues would like to join with me in extending our congratulations on the birth of this little girl and to wish Charlotte and JACK much happiness in this new daughter.

FREIGHT CAR SHORTAGE

The SPEAKER. The gentleman from Texas has 29 minutes remaining under his special order, and the gentleman from Texas (Mr. PICKLE) is recognized.

Mr. PICKLE. Mr. Speaker, at this juncture in my special order I too want to add my congratulations to those extended to Congressman and Mrs. Brooks. This is indeed a great occasion long anticipated by many of us.

Mr. Speaker, one of the most penetrating articles I have read in some time appeared in the September 8, 1973, issue of *Business Week*. The article is entitled "The Railroad Paradox: A Profitless Boom." Under unanimous consent previously obtained I include the article at this point in my special order. It is a very thorough article and gives a broad range view of the railroad problem with statements by both management and labor and also by shippers and relating to the public interest. I think it would be worthy of every Member taking the time to read the article.

The article is as follows:

[From *The Business Week*, Sept. 8, 1973]  
THE RAILROAD PARADOX: A PROFITLESS BOOM

American railroads in 1972 enjoyed their biggest year in history, handling a record 780-billion ton-miles. So far in 1973, the freight business has been even better: up 8% to 10% over the same period last year. According to all the theories of railroad operation, railroads ought to be enjoying their biggest profits in history.

They are not. American railroads are in bad shape despite dream levels of business. The Rock Island is teetering on the edge of bankruptcy; in the Northeast, six railroads have already fallen. In the first six months of 1973, the largest of them, the Penn Central, continued to lose prodigious amounts of money and threatened to plunge from bankruptcy into liquidation. Even rich railroads, such as the Union Pacific and the Burlington Northern, that are blessed with valuable mineral deposits, have to struggle to earn an adequate return from railroad operations.

This inability to earn money in the industry's finest year is more than a knockdown of traditional wisdom. It raises a serious question about the future viability of the entire railroad industry. Instead of enjoying the most profitable year in history, many railroads are worn out and exhausted. The failure is rooted in problems that have been building up for years.

The railroads cannot earn enough money to renew their facilities, partly because their rate structures are outmoded, partly because their physical assets have deteriorated, and partly because their accounting is as obsolete as their roadbeds.

They have the worst credibility in industry. Neither labor unions nor regulations nor the public believe their arguments. Railroads have been threatening collapse for so long without collapsing that nobody listens to them any more. In spite of the direct threats, they are still plugging along, whining but alive.

They have lost their clout in Washington so that they cannot get the federal help they desperately need. Rather, they are likely to get a cure prescribed by labor leaders, bureaucrats, and congressmen.

The stakes in preserving and rehabilitating the nation's railroads go far beyond the near term. Longer-range, railroads provide the best foreseeable way to keep the economy moving without consuming too much scarce energy or unduly upsetting a fragile environment. In the meantime, more of them are on the verge of dying.

The full depths of the industry's collapse were demonstrated this year when the railroads tried to carry two years' grain crops in one year. The result was bottlenecks on the

lines and car shortages. At the worst of the crisis, 10,000 cars were waiting to be unloaded near ports, and the unfilled requests for empties were running as high as 42,500 a day.

NO PERCENTAGE IN MORE VOLUME

Even more significant than what happened in one season's grain movement—or non-movement—is the problem of profitability.

"I used to think there was nothing the matter with this industry that 10% more volume couldn't cure," says Stephen G. Ailes, president of the Assn. of American Railroads. "But now I'm not so sure. Last year was the biggest in our history. The railroads handled record ton-miles of freight without much dislocation—and by dislocation, I mean car shortages. This year we are handling about 10% more ton-miles with a good deal of dislocation and no prosperity."

In his rude awakening, Ailes is not alone. Just about anyone who ever worked on or studied railroads has taken it as an article of faith that the railroads are a high-leverage industry. The fixed costs are large, but once traffic has been built up to cover these costs, everything over that level is practically gravy. The example forever being cited was that it cost very little to add a 100th car to a 99-car freight train, so most revenue from that car could be carried down to net.

Furthermore, it was always taken for granted that railroads could handle a lot more theoretically incremental and, therefore, high-profit business, because so much of their trackage is idle so much of the time. This theory did prove correct during World War II and the Korean War.

This year the railroads are getting their best peacetime chance ever to prove that theory right. Instead, they are proving it wrong, because the plant is so run-down. All the years when railroads should have been renewing themselves were spent fighting to stay alive. So yards are inadequate, weary locomotives and cars are breaking down, and speed restrictions are being placed on weakened track. Far from seeing extra profits from the extra business, the railroads face extra costs, because the new business requires extra effort. In every case there were special circumstances, mostly weather related, but some earnings declines in the second quarter of 1973 were staggering: Burlington Northern, down 77% from a year ago; Kansas City Southern, down 53%; Seaboard Coastline, down 34%; and the Frisco, down 63%.

In 1972, the industry had total operating revenues of \$18.4-billion; a net income, including that from outside sources such as diversified companies and timber and mineral resources, of just under \$500-million; and a rate of return on net investment of only 2.95%. Low as the rate of return was last year, it was the highest it has been since 1966.

With numbers like that, the industry faces an impossible task in generating adequate funds for renewal of its plant. It believes it ought to be spending an average of \$3.6-billion a year over the next 10 years to get its plant in shape. This year, which is an unusually high one for railroad capital expenditures, it will spend about \$2-billion. In other words, what the industry wants additionally is somewhere between \$1.6-billion and, say, \$2-billion a year. The problem is where and how it will get the money to meet the needs of today's economy, let alone tomorrow's.

IT TAKES A CRISIS TO GET A DECISION

There are, of course, those who think it will not have to meet those needs. "I have friends—we all do—who think of the railroad business as operating passenger trains, and therefore they think railroads will recede into the twilight and disappear," says William B. Johnson, chairman of IC Industries, parent of the Illinois Central Gulf RR. "And yet the industry can probably offer more to the country of what it needs today than at

any time in modern history. Take inflation. One sure way to beat inflation is to increase productivity. We have immense capacity to increase the productivity of transportation. I don't mean we have it today. I mean the potential is there."

Just how important railroads are to the economy was amply demonstrated by the one-day shutdown of the Penn Central Transportation Co. on a Thursday last February. If nothing else, that got the attention of Richard C. Gerstenberg, chairman of General Motors, who fired off a telegram to President Nixon. "If it is not resolved immediately, virtually all GM manufacturing and assembly operations will be closed down by Monday," he told the President.

Actually, it is crises such as the Penn Central, due to come to a head in Congress within the next two weeks, that are giving railroad leaders their best hope. Impending disruptions are getting the attention of chief executives instead of merely the traffic managers, and they are certainly getting the attention of Congress.

The history of this country is that hard decisions are taken only at the last moment to save somebody or something from a fatal plunge. But if crises force hard decisions and create the opportunity to change directions, they also create haste and the chance of making a mistake. And there is always the danger that whatever is done will have the effect of erecting a fence at the edge of the cliff instead of eliminating the reasons that someone is teetering there.

This is the possibility that frightens most railroad officials. "I'm satisfied that there is going to be meaningful activity of Congress and the regulatory bodies to improve the railroad industry," says William J. Quinn, chairman of the Milwaukee Road. "But my concern is that it is going to be done only with respect to each crisis, that there will be an ad hoc solution to the Northeast crisis, for example, instead of a solution that gets at the fundamentals."

#### NOT MORE CARS BUT USABLE CARS

A proposed solution to the freight car shortage is another case in point. If there is a car shortage, the general reasoning goes, it follows that the industry needs more cars. And if the industry cannot afford more cars, then the obvious solution is for the federal government to step in either with loan guarantees or, if that does not work, with the creation of a quasi-public corporation to buy cars and lease them to the railroads. The Senate has already passed just such a bill.

But the problem is not so much that the railroads are short of cars as that they are short of empty cars where these are needed. "I saw what was coming," says Benjamin F. Biaggini, president of the highly profitable and well-managed Southern Pacific. "I got authority from our board of directors to go ahead with the biggest capital improvement program that we've ever had. We bought 13% of all freight cars bought last year in the U.S. And when the time came and we really needed them to take advantage of the booming lumber market in the Pacific Northwest, we found our cars tied up in bottlenecks in the Southeast and East. The net result is that we probably lost 15,000 carloads of lumber simply because our cars were not available when our shippers needed them. If I thought I'd get anywhere with it, I'd file a hell of a big damage suit."

"I'm opposed to calling the experience of the first half of 1973 a car shortage," adds Worthington L. Smith, president of the Milwaukee Road, which, like others in its territory, was swamped with grain business this year. "That implies that adding more cars would have solved things. With ports and terminals backed up, twice the number of cars available for loading would have resulted in twice the number of loaded cars with no place to go."

As the AAR's Ailes puts it: "If Jehovah himself had given us 100,000 more cars this year, it would not have solved the problem. The problem is that the whole industry is anemic, not just the car supply. We have to get healthy enough so we can handle the extra business on an ordinary basis instead of on an extraordinary basis."

#### THE MONEY BIND: WORSE AND WORSE

The answer, besides more cars, is modern terminals where cars do not get jammed up, modern classification yards, better signaling systems, and industrywide computer control of cars. It makes little sense just to buy more cars when the average freight car spends so much time standing still that it moves, both loaded and empty, only 56 mi. a day. The trick is to get more use out of existing cars. But all this requires the very capital that railroads do not have, and find it currently impossible to raise.

Scratch any railroad president and you get a long list of complaints about unfair treatment at the hands of government. The litany is familiar: While railroads have to build, maintain, and pay taxes on their rights of way, the world's most efficient network of highways, airways, and waterways has been provided and is being maintained by federal and state governments. Putting aside all the peripheral arguments that transportation people love to get mad about, such as trust funds, user charges, and land grants, the railroad people are right. The world they live and work in is unfair.

Last month, the Southern Pacific opened a new, automated classification yard costing \$39-million. "We have to try to recover that," says Biaggini. "All that the user of highways or airways has to do is in some small way pay for a little bit of what he uses as he uses it. Now that's a system that is obviously slanted in favor of other forms of transportation. There has to be a way to finance improvements in the rail plant so these massive sums of capital are not needed long before you can begin to realize the benefits from them, or so that capital can be recovered quickly once you invest it."

We have got to find some way to reverse the flow of capital so it will flow into the industry and not out of it," adds Biaggini. "And right now the best way to do that, as I see it, is federal loan guarantees for the people that need it."

But IC Industries' Johnson does not think borrowing more is necessarily such a great idea. "In fact," he says, "it might be the greatest disservice the industry could do to itself, to borrow and overinvest. If the fixed charges get to the point where you can't pay the bill, you've got another crisis, and there are plenty of them in the making."

Johnson points to something that is worrying railroad men throughout the country: All the 3% and 4% debt on the books, negotiated in Depression days, will have to be refinanced at 10% if present conditions in the money market continue. The ICG, for example, has \$17 million coming due next year. "And when you've got it refinanced, do you have a better railroad?" Johnson asks. "No, it's precisely the same railroad with interest charges two and a half times as high. That's why you have bankruptcies." In any case, Wall Street will not lend the railroads a dime these days, even at inflated interest rates, unless the roads provide gilt-edged collateral and the most senior status for the debt.

To Johnson, the answer lies in adopting the Canadian approach to railroad problems. In Canada, if a low-density line cannot pay its way, it is discontinued unless shippers that want service on that line have successfully applied to the government for taxpayer subsidies.

#### ECONOMICS VERSUS POLITICS

Johnson feels that the present trend in dealing with the symptoms of the Northeast

problem leaves Congress with a series of hard economic decisions vs. pleasant political ones. He says: "In every one of the issues—low-density branches, excess labor, you name it—there is the same conflict: the logical, economic decision vs. the difficult political one, or the pleasant political decision that becomes difficult in the context of the logic of economics. If the government resolves all these basic questions in the short-term political interest, then there's only one thing for us to do, and that's to get on the nationalization bandwagon. The only fair thing the government can do is buy all the railroads and return the investment the public has made."

Although Senator Vance Hartke (D-Ind.) is making a point that his proposed solution to the Northeast rail crisis is designed to prevent nationalization, railroad presidents disagree. They characterize his status-quo-while-the-problem-is-studied approach as just the sort of political waffling that will lead to nationalization. They also distrust the Transportation Dept.'s stated position of providing only minimal federal funds.

Most railroad officials still hope that Congress will want to avoid the huge cost of nationalization and will, instead, provide the necessary \$1.6 billion to \$2 billion a year to restore the industry's plant. Says Frank E. Barnett, chairman of Union Pacific Corp.: "That's not very much when you consider that federal, state, and local governments spend more than \$28 billion annually on all other forms of transportation."

Along with government money, men like Barnett and Johnson want a clearly defined national transportation policy that will more equitably subsidize and regulate the various kinds of transportation. Failing that, they would like to rewrite the Interstate Commerce Act for fairer treatment and greater freedom to lower some rates and raise others.

The question of rates is crucial to the survival of the industry. According to a study by the management consulting firm of Temple, Barker & Sloane, Inc.—a study that the Illinois Central Gulf calls "the gloom and doom book"—something more than 20% of the commodities carried by rail are carried at a loss—among them pulpwood, sand, gravel, and even a lot of perishable produce. Much of this is left over from monopoly days, before truck competition, when railroads carried some raw materials at a loss in the expectation of making this up on the finished goods.

Many railroad presidents insist that the industry is no longer strong enough to carry any kind of freight below cost. The problem is to get everyone to agree with each other's cost figures, and then either to raise the rates or tackle the more difficult job of telling customers that some of their business is no longer wanted.

#### AN ENORMOUS REBUILDING JOB

If rates and regulations can be made more equitable and if capital can be raised, the rebuilding job to be done is still enormous. Some rich railroads such as the Santa Fe, Southern, and Union Pacific have well-maintained properties, but the industry average is dismal.

"We know of Midwestern railroads where 60% of the mainline track is under slow orders," says Barnett. A slow order is a speed restriction placed on a piece of track found to be in disrepair. In some extreme cases this year, the speed is down to 10 mph. A lot of the trouble in the Midwest was caused by weather, notably this year's floods, but a lot was also caused by wear and tear from the industry's high level of business.

A railroad can keep its rail surface smooth when no more than one tie in four is defective. But if tie replacements are deferred beyond this limit, the entire track structure deteriorates rapidly. According to the Tem-

ple, Barker & Sloane report, which also looked at the industry's physical shape:

New rail is being installed at a rate that would be adequate only if rail could last more than 150 years instead of about 20.

The rate of the replacement would be adequate only if ties could last more than 46 years instead of about 20.

Cash generated per car on most railroads is stagnant or declining.

The cost of a new unit of rolling stock has risen rapidly, surpassing cash generation per car for all railroads except the Union Pacific.

Most railroads are not producing enough cash to pay for existing rolling stock, let alone to retire mortgages or pay cash dividends. Capital expenditures and dividends fare exceed net income and depreciation.

Among the men closest to the problem, such as an official of the Roadmasters & Maintenance of Way Assn. of America, the outlook is equally grim: "Many of our members say that in these times of comparatively active business conditions, they are barely able to keep their railroads together and are making little or no progress towards correcting deficiencies left over from leaner years. They fear that should a business recession occur, they will go under."

"Our business is just soaring," says an official of a relatively prosperous railroad, "particularly our container and piggyback business. But that kind of traffic requires fast trains, and we are fighting a losing battle keeping this a high-speed railroad. It doesn't cost twice as much to maintain a railroad for 100 mph as 50 mph—the numbers go up geometrically."

#### LABOR IS LOSING PATIENCE

If massive infusions of capital are necessary, the chances that these will come from the federal government are not good without substantial support from railroad labor unions. And the chances for that, though considerably brighter than a few years ago, are still poor.

Al H. Chesser, president of the key United Transportation Union, is nothing if not blunt in his position. He describes the scene when railroad management came to him, asking for help in getting relief from discriminatory taxation. "I met with management in February, 1972, and I laid down an ultimatum," he declares. "I told them 'Your soft spot is Washington, D.C., because that's where you've got to go to get help, and you don't have the know-how to do it. But don't come to me crying for help. That day is over. She's come to a close. You've had it until you change the industry, until you change your attitude, until you start treating people the way people should be treated. When you've done that, we'll go to Washington together and do something about this industry. We'll save it. If you don't want to change, let's not prolong the industry's death. The hell with it. I'm through with you.'"

Chesser is perfectly frank about not believing the railroad industry's books. "There's something wrong when an industry works at peak capacity and says it is only making 3% return on investments," he says. "I say that's baloney. I don't believe it." The Illinois Central Gulf has a standing offer with Chesser to let him examine the ICG's books to his heart's content, but he says that his union is too poor to hire the necessary auditors.

For all his tough talk, Chesser is just as opposed to nationalization as management is. "When the British Railways were nationalized in 1947, there were about 20,000 mi. of track, train service was good, and the operating employees had the best jobs in England," he says. "Today there are 11,000 mi., and our guys have the sorriest jobs in England with half the force. I don't want to buy any of that for the United States."

But for all his bluntness, Chesser does think management is showing better under-

standing, largely through close attention to railroad management's allegedly "old-fashioned" method of disciplining and suspending employees found guilty of errors of judgment, mistakes, or causing accidents. He cites the Burlington Northern as a railroad that had bad labor relations but where, thanks to joint efforts, grievances have been cut 60%. Now he thinks the BN is the most improved railroad in the industry, from a labor relations point of view.

BN's Chairman Louis W. Menk agrees. "I think we have made enormous progress in labor-management relationships," he says. Chesser and his top aides have been meeting repeatedly with Menk and his staff to discuss and defuse these grievances.

#### THE NEED FOR FLEXIBLE REGULATION

Labor-management relations must improve if the rail industry is to meet the needs of the U.S. economy. At present, railroad labor is protected by a host of provisions drawn up in the days of steam-engine technology and of less highway and waterway competition. These provisions determine how many men constitute a train crew, what is road work and what is yard work, and at what geographical boundaries the train crews must be changed. Management desperately wants these provisions relaxed, but in the climate of hostility that grew out of management's charges of "featherbedding," progress toward relaxing them is glacial.

"I don't question the rationale under which the work rules were established as reasonable and justified," says Alan S. Boyd, former Secretary of Transportation and now president of the Illinois Central Gulf. "But the thing that we as managers have not gotten across, in addition to credibility, is that our competitive environment is now different. We cannot react to this changed environment if the bulk of our expenses are tied to work rules related to an alien environment."

Boyd admits that the same result would not necessarily be true on every railroad, but he is convinced that a relaxation of work rules on the ICG would lead to more employment, not less, because the railroad could then compete for traffic that is now lost to it.

The tendency on railroads today is to run long trains, since the labor costs are the same for a 10-car train as a 100-car train. But this means holding cars back until a long train can be assembled, and also delaying individual cars through repeated switching in classification yards. To an increasing degree, the U.S. economy requires exactly the opposite kind of transportation service; it is requiring quality transportation, not quantity.

The proliferation of brands, styles, and models of consumer products and the diffusion of places where they are sold are putting a premium on reliability and speed in transportation. These two trends are also decreasing the size of shipments. Carload lots of refrigerators, all white and all one size, are not going to meet the marketing demands of Sears, Roebuck in hundreds of shopping centers.

Moreover, record-high interest rates are making the cost of slow transportation of finished goods prohibitively expensive. "All of that inventory a customer has tied up on a railroad that can't handle it efficiently is costing him real money these days," says Arthur E. Leitherer, vice president for traffic at Allied Mills, Inc., and president of the National Industrial Traffic League. "We need transportation by the clock, not the calendar." Computer-aided management procedures also are leading to tighter controls of the distribution system again putting a premium on reliability.

Products tend to be more valuable per unit of weight as the standard of living improves. Thus, transportation service becomes more important, and its price less so. Improved

technology also has led to more specialization of industrial products and components. Once more this means smaller shipments and higher-quality transportation.

#### IN THE FUTURE NATIONAL INTEREST

This growing requirement for quality transportation abetted by continuing governmental investment in highways and airways causes many economists to believe that the share of freight tonnage hauled by rail will continue to decline as it has done steadily since the end of World War II and that railroads will, indeed, recede into the twilight.

But this outlook ignores two things. The U.S. is running short of energy and it is running short of land where people and industry want to exist.

A truly severe shortage of petroleum fuels would bring soaring prices and possibly government-imposed priorities and restrictions. The most efficient user of fuel, therefore, would probably have a priority in acquiring it and would certainly get more for the dollar. And at speeds above about 6 mph, railroads are the most efficient users of fuel in freight transportation. A Rand Corp. study looked at the problem in terms of energy consumption per ton-mile, expressed in British thermal units. Waterways were the most efficient with 500 Btu, railroads were only slightly less efficient with 750, pipelines had 1,850, trucks had 2,400, and air freight came in at 63,000. Another plus for the railroads is that they could be electrified much more easily than other forms of transportation. Indeed, several railroads, such as the Burlington Northern and Illinois Central Gulf, are already giving intensive study to the possibility.

Looking further into the future, the outlook for railroads is even brighter if they can only prepare for it. As the standard of living improves, there is dramatic growth in the ton-miles of freight moved per capita. If this number grows in the next 30 years at the same rate as in the past 30, and if the population by the year 2000 reaches the expected 265 million, there will be a need for as much as 7 trillion ton-miles of intercity freight transportation annually, compared with about 2 trillion ton-miles now.

Given finite amounts of land, air, and water for transportation purposes, the clutter would be unbelievable if the present trends were to continue. In fact, if the assumptions are correct, the magnitude of the job to be done will dictate that railroads will haul an increasing share, instead of a decreasing share, of the nation's commerce.

But first the industry must be rescued. As the IGG's Boyd says: "We have a lot to offer, and we don't know how to get to the place where we can offer it."

#### HOW RAILROAD ACCOUNTING EATS UP THE ASSETS

How has the railroad industry survived all these years while loudly proclaiming its own imminent doom? A large part of the answer is that it has been consuming its own assets—and that is one fact of life it does not like to proclaim.

Railroads practice a kind of accounting that is unique in today's state of the accounting art. They do not, for example, take depreciation on their track. Where any other company would depreciate a capital asset over the economic life of that asset, the effect of railroad accounting is to leave the investor's money forever tied up in track.

Track appears on the left-hand side of a railroad balance sheet as an asset figured at the cost of its installation. If a railroad should improve its line by replacing 115-lb. rail with 130-lb. rail, the cost of the new rail goes onto the balance sheet as a betterment, which is why railroad accounting is called betterment accounting. But the labor of putting it there is an expense item, as is the

normal replacement of rail, ties, and ballast of the same quality as the track materials they replace, and such activity has no effect whatever on the balance sheet.

#### NO LOGIC

The useful life of rail differs widely, depending on the speed and weight of trains and the local climate. But if 20 years is a good average for mainline track, logic would dictate that every year a prudent management should replace one-twentieth of its track. And, under railroad accounting, the cost of the new track and the cost of putting it there would be listed as an operating expense. But necessity and logic are often not the same thing on railroads. By not replacing rail, managements can make their income statements look better—or less horrible—than they otherwise would be. And for years now, railroads have not been maintaining their property adequately.

It is all perfectly legal under the rules of betterment accounting, but the result is that the balance sheet is wrong. Deferred maintenance means that assets that are listed at original cost are no longer worth anywhere near that much. The investors take the beating in the end; it is a sort of 1970s way for railroad management to play robber baron, and the Penn Central management before bankruptcy was a classic case.

In today's stock market, it is not unusual to find companies in many industries with a market price of their stock lower than the book value. But in the railroad industry, this is standard in any kind of market, good or bad. Leonard Spacek, then the managing partner of Arthur Andersen & Co. and the recognized demon among accountants for his disgust with betterment accounting, studied the situation in 1955. He took all the companies that made up the Dow Jones averages and worked out their market price as a percentage of their book value on Dec. 31 that year. The industrials were 230%, the utilities were 145%, and the 20 relatively high-grade railroads that made up the rail index in those days were 47%. Spacek specifically laid the blame for this on Wall Street's distrust of railroad balance sheets.

An even more dramatic example is provided by the Chicago & North Western Ry. When its holding company, Northwest Industries, sold the railroad in 1972 to its officers and employees, Northwest wrote down the railroad's assets by more than \$400-million, thereby giving itself a huge capital tax loss carry-forward. This also wiped out years of accumulated uneconomic results of betterment accounting on the road and made the balance sheet honest. Following the sale, the North Western adopted depreciation accounting for its track, the first major U.S. railroad to do so.

Even though the North Western is only marginally profitable, the fact that it does not have ghost assets on its books has caused the book value of its stock, which is not traded, to "rise substantially," according to Larry S. Provo, North Western president, who is proposing a 60-for-1 stock split.

#### WORLD WAR I RULES

The history of betterment accounting for railroads goes back to 1914, when the Interstate Commerce Commission first prescribed the rules. At that time, of course, income taxes were low and railroads had a practical monopoly of transportation. The reason railroads embraced betterment accounting so eagerly was that the commission determined the industry's revenue requirement as a percentage of its total investment. By not depreciating its track, the industry kept its rate base high.

In other words, if a hypothetical railroad had \$1-million invested in property devoted to public service, if it had \$600,000 a year in operating expenses, and if the commission decided that 10%, or \$100,000, was a reason-

able rate of return, that railroad would have been allowed to set rates to bring it \$700,000 annually. If, on the other hand, the railroad were to depreciate its track investment, down would go the allowable rates the railroad could charge its customers.

Technology and income taxes changed the world the railroads lived in. But the accounting rules on track depreciation did not. Today, if railroads tried to charge enough to get 10% of their net investment as a rate of return, the rates would be so high that all their business would go to trucks, barges, pipelines, and air cargo. Now it is too late to get the costs of the track back. More important, by not taking depreciation on their track, they are overstating their income and paying unnecessary taxes. The Andersen firm believes railroads should be allowed to recompute their income taxes back to 1913 based on depreciation accounting. For poor and bankrupt railroads the resulting refunds would be fantastic.

Mr. Speaker, while the freight car shortage has suffered from lack of attention it has not suffered from lack of history. The freight car shortages became a fact of railroad life in 1887 when the first case was laid before the ICC. In 1887 a shortage case was filed by eight wheat farmers in the Dakota Territory. Except for the years of the great depression we have suffered a freight car shortage ever since, and even in the twenties our railroads made the list of America's sick industries and the freight car shortages were clearly part of the problem.

Our railroads have been failing for so long no one seemed to believe they could actually collapse, although forthcoming events in the Northeast Corridor may soon rob us of this illusion. At the present we seem to feel the railroads cannot really collapse and that they cannot really run well either.

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

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

Mr. DENHOLM. Mr. Speaker, I appreciate the excellent work the gentleman has done in bringing this special order to the floor of the House today. I commend the gentleman from Texas.

I note he has referred to the first case tried before the Interstate Commerce Commission as having originated as a result of the shortage of boxcars in the upper middle Western States, particularly the Dakota Territory. That is exactly correct. It is docket No. 1-1887. We have observed this continuous problem of transportation from the upper Midwestern States since that year. There is a reason for that. When one stops to realize, I think it is about 11 of the Midwestern States produce about 85 percent of the total food and fiber of this country, and we get into this situation where the population trend in the United States recently has built around the industrialized urban States, and we find that there is a great percentage of the American people living in a few places and further from the point of production of the source of food and fiber.

We have not had a transportation system that has kept pace with that trend in the number of people, not only in the domestic marketing, but also foreign marketing, so today when we are

recognizing the problems of transportation, I think we should say to ourselves that we stand at the threshold of a real national crisis in marketing and transportation. I think the marketing and transportation systems in America and around the world have been subjected to stresses the last year unequaled in reported times of peace or war.

A system of marketing cannot exist without a viable structure and system of transportation. Commerce is trade, and transportation is the wheels of trade. Commerce and trade are synonymous terms that are essential to the economy of America, between the States of this Union and between the countries of the community of nations of the world.

I think this is a serious problem. I see that we are going into the opening up of new acres of production for 1974 to try to meet the demand for consumer goods of our own land and hungry people of this world. I think it has been estimated that 35 to 50 million more acres of production will be coming in next year, coupled with the policy of the Federal Government to call up some 5 years of Commodity Credit Corporation stored grains, coupled with the fact that we have entered into sizable credit sales to foreign countries of our wheat and other food items, with the possibility of even negotiating more, as the gentleman from Texas has so ably set forth in the RECORD today.

I think all these things together, coupled with the problems we are dealing with such as an inadequate, obsolete transportation system that has not substantially changed in the last 50 years—the system itself has not—there have been improvements on it. I think it would be fair to say that the railroad industry in the last few months, particularly in 1973—and I stand corrected if the gentleman has statistics counter to that—but I believe statistics show they have actually moved more freight than in any other year in the history of our country. If the producers could have gotten all the grain they really wanted shipped when they wanted it shipped, we would have been able to put all the grain out of the country into the hands of international grain moguls, and they would have gotten the increase on the rise. So when we criticize railroads on the one hand, I think we have to recognize that had it not been for the incapacity of our transportation system, we may very well have had the great wealth we find in the bins of America in the hands of international speculators who could toy with prices way more than they have.

Fortunately, we still have the grain. What we need is an orderly system of marketing and transportation. I think it means that we intend to look at all possibilities; air, water, land, and whatever we have to deal with. I believe this idea of calling for more boxcars is not the full answer, as the gentleman from Texas has said. If we had all the boxcars every consumer wanted now, we probably would have terminal embargoes because there are not enough salt water vessels.

Therefore, I think the problem we are recognizing today is a short one and a

long one. In the short one, we are going to have this image of what we are going to have in the regional warehouses and put it on a continuous basis in off-peak periods. We must recognize the system of harvesting has changed. In my area, we will be harvesting corn in the next few days.

It used to be that it took 60 days to get the corn harvest out. Now we do it in 6 days. This means all that corn is going into the system of marketing and transportation within a relatively short time. I believe we have to provide a system that will take over on the peak loads and valleys with a continuity of delivery to the consumer, as the gentleman from Texas has said today. The consumer really pays for the inadequacy of management or for the failure of mismanagement.

I believe we have to build into our system of marketing and transportation a continuity of delivery, a capacity to deliver.

I commend the gentleman.

Mr. PICKLE. The gentleman from South Dakota was a very material witness before our committee when we visited his section of the country last year. I would assume that the crisis and problem we had last year is repeating itself a year later. I assume the elevators are full again. Is that correct?

Mr. DENHOLM. That is correct. What I am saying today, I say to my distinguished colleague and good friend from Texas, is that it is bigger than what we saw then. We are on the threshold now of a collapse not only of the transportation system but also of the free, competitive market structure.

It does not do the farmer any good to have wheat quoted at \$8 or \$9 a bushel or corn at \$2 if he cannot sell one bushel. I have farmers in my area who cannot make payments on their farms because they cannot sell their grain. That is what is breaking down, and that is what the consumer pays for, that kind of inadequacy.

Mr. PICKLE. That is why we are having the special order today. We cannot let the problem slide from year to year and hope that the problem eventually will get better and fade away. It will not.

We must realize that we have another big wheat sale on, of 1 billion or more bushels of grain. Our elevators are already full. We have a bumper crop. How are we going to move this grain again?

Until we increase the supply and set up a better utilization and have a plan to do it we will have the same congestion. I believe it is an indictment of the Congress that we cannot do a better job than we have done. The only way for us to do it is to try as best we can on this floor to bring about some legislation.

Let me point out that we have a bill that will be submitted, which pertains to 3 different segments of this problem.

First, there will be a part of it that provides for sufficient rolling stock.

It would give guaranteed loans to the industry so the railroads themselves can go out and build these cars, so that we will have a supply. We would have a guarantee approach.

It also will provide for a computer system of accounting, to know where the cars are and as they move, so that we will know their location.

It also provides for a plan that will say, again, "You cannot sell in excess of 1 million bushels of grain unless you file a plan with the Department of Transportation and, in turn, they have it made known to the Department of Agriculture. If an exporter sells any such amount, and the plan is not working, the Department of Agriculture can cut off the subsidies."

We spent \$300 million last year.

This may be drastic action.

One other part of the measure would say that the ICC—some regulatory agency—probably the ICC—would be given a much broader power to say, "You will be fined heavily if you do not move your cars."

That is going to hurt some of our Northeast companies. They have a problem already. One cannot blame a shipper from the West who hesitates to send his cars to New York or Boston, since he knows that the cars, once they get there, will lay in the yard perhaps for days. He will say, "I am not going to let you get my car. I will hold it." Or he will use only so many cars, so that they will come back in the direction where they came from.

One cannot blame the shippers for that. But we have got to get a sufficiency of cars, and we must be able first to solve that problem, and then take the other steps.

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

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

Mr. DENHOLM. Mr. Speaker, I know that the gentleman serves as a member of the distinguished Committee on Interstate and Foreign Commerce. I will just ask the gentleman this question: I do not ask it facetiously; it is a difficult question.

I have been critical myself about the role of the Interstate Commerce Commission. That Commission has become a regulatory agency, more concerned about enforcing laws against carriers than seeing that the public interest is cared for in the delivery of commodities, and I would hope that the committee would look at the role of the Interstate Commerce Commission as a regulatory agency in solving problems in the public interest.

I am a former trucker, as the gentleman probably knows, and I kept pretty efficient records on my operation. I operated at less than 33 percent of efficiency with the Interstate Commerce Commission regulatory system. I will explain why.

We were not permitted to take back-hauls or use other methods to cut expenses, and the public is paying for it, and the consumer is paying for it. We are regulated to death in those areas.

Mr. Speaker, I would like to participate in the hearings, and I know the gentleman's committee is very interested in this subject. I do not want to take more of the gentleman's time now in discussing it.

Mr. PICKLE. Mr. Speaker, I will ex-

plain that our regulatory agency, whether we like it or not, whether we like what they are doing or not, is the Interstate Commerce Commission. It is set up by law to do this.

I am convinced that that Commission will give strong leadership if they really believe that is what Congress expects. I think rightly they have assumed for several years that they were to act as a judge and to pass on a particular set of facts, and vote yes or no on matters of this kind.

I believe now the Congress is saying to them, "We want you to take strong leadership," and I believe that if we give them sufficient motivation, then we should expect action from them and literally "crack the whip" if necessary to keep these goods moving.

Mr. DENHOLM. Mr. Speaker, if the gentleman will permit me, I wish to commend him as an individual and also his associates on the committee for their efforts toward accomplishing that possibility in getting the Interstate Commerce Commission to look after the problems in the public interest. I thank the gentleman very much.

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

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

Mr. MEZVINSKY. Mr. Speaker, I thank the gentleman for yielding.

Last spring, when there was a desperate need for boxcars to move grain in the Midwest, a major railroad running to the First District of Iowa was sending out orders like this: "Do not apply any grain boxcars or grain orders on the Chicago region." Instead, cars were being diverted to the State of Washington to pick up lumber, a more lucrative haul for the railroads than is grain.

Because of the boxcar shortage, some grain never was moved out of Iowa and today we find that many elevators in the First District are a third or more full of last year's crops as we move into the harvest season. A recent survey of the Iowa grain marketing system indicates that storage space and railroad transportation facilities are inadequate to handle this year's crop.

Thus, we may be faced with the prospect of continued grain shortages in the midst of plenty if we do see the record harvest USDA has encouraged and predicted. The possibility of not being able to move the grain out this year is going to become more dire if the expected shortages of propane gas—used in storage facilities to dry grain—develop.

Those who stand to lose the most from this situation are those who can cushion it least—the grain elevator operators caught in a price squeeze for the second year in a row; the farmer encouraged to increase his production; and the consumer who has to depend on the cost of grain to determine the cost of major food items like meat, eggs, bread, and milk.

In the midst of the boxcar shortage, we see that the grain which moves first often is owned by the giant grain export companies who enjoy several advantages over the independent grain elevator op-

erator. The large corporations often control railroad-owned cars in trains of 25-, 50-, and 100-car units through leases that are perpetually renewable if they guarantee a large-volume of grain movement to the railroad. These firms can virtually control trains, telling the railroad from which they lease cars when and where to send the trains to pick up grain and where to take it for delivery.

Besides tying up a large number of boxcars on this priority basis, these firms enjoy a reduced rate from the railroads because of their large volume of grain shipment. In light of the railroad's financial problems, one is forced to wonder how they can afford to give reduced rates when there is ample competition for boxcars.

The independent elevator operator gets caught in the squeeze. Without enough boxcars to ship out their grain, they are often forced to sell their grain to the big companies at prices 5 to 8 cents per bushel below market prices. Having the only means of getting the grain to market, the big grain companies bid low and the elevator operator has little choice but to sell. As one Iowa elevator spokesman said,

If we can't move the grain at all, it doesn't do us any good, so we sell it cheaper.

In the long run, of course, it is the farmer who pays for the boxcar shortage because the grain elevators will pay less for grain if they have to sell it for less.

The farmer also has to absorb some of the costs that many grain elevators have been hit with because of charges for late delivery.

One elevator operator in the First District of Iowa, who had to pay in excess of \$1,200 in late delivery penalties last year to the large grain companies is now working to contract with trucking firms to move his grain this fall. However, since his elevator is designed for railroad car loading and unloading, he is faced with the prospect of time-consuming bottlenecks when trucks try to use train equipment. Another drawback is that in many places there simply are not enough trucks to move grain out on schedule.

The transportation crisis facing elevator operators could very well result with them buying less grain this year, despite forecasts for record crops on the farms. Even when crops are bought, it is reported that farmers can expect elevators to reduce their bids as much as 18 cents per bushel as a result of the added elevator expenses of truck hauling.

Clearly, action is demanded to relieve the boxcar shortage and its related harvest-time nightmares. We cannot hope for record harvests to benefit the people we represent unless we can assure adequate transportation for our crops.

We must insist that the USDA provide more coordination of farm production and the availability of boxcars. I think the Federal Government must begin to give as much priority to rejuvenating the grain hauling railroads of the Midwest, such as the Rock Island Line that serves Iowa, as we do to the rail lines in the Northeast.

We have to seek ways of equalizing

the allotment of presently available boxcars to take the squeeze off independent elevator operators and farmers.

As another means of relieving this crisis, we must support loans for farmers to build more on-farm storage facilities and encourage the leasing of the now-empty Government storage bins so that farmers can hold their grain until transportation is available.

I would suggest further that we look carefully into the proposal of two Iowa State University economists who suggest the development of more Midwest grain delivery points. This would allow much easier delivery of grain to market by avoiding the transportation congestion at Chicago. According to these economists, the near impossibility of delivering corn and soybean futures contracts to Chicago in recent months has been a major factor behind the speculation and high prices on the commodity exchange.

I believe that the boxcar shortage offers us a frightening example of how so many of the problems we face today are interrelated.

We see in it the growing power of huge conglomerates whose control of cars puts the squeeze on independent elevator operators and farmers.

The fuel shortage is also involved as we realize that a lack of an adequate propane supply could lead to the rotting of undried crops awaiting transportation.

These factors, of course, could deny us the benefits of a bountiful harvest and send skyrocketing food prices even higher.

The far-reaching effects of the boxcar shortage demand our attention and I am hopeful that this special order will lead us to positive action to correct this situation.

Mr. PICKLE. Mr. Speaker, I appreciate the gentleman's remarks.

Mr. McFALL. I wish to express my appreciation and commendation to my friend for bringing this important subject to the attention of the House.

The gentleman serves on the important Committee on Interstate and Foreign Commerce, which has the legislative jurisdiction over this very important subject.

One of the important policies that I believe we need in this country is a transportation policy, a study that will try to determine for us what kind of transportation we are going to have ahead of us in the next 10 or 20 years.

The gentleman points out rightfully the problems we are having with the railroads. We have problems of integrating the truck lines, the barge lines, the steamship lines, the airlines.

It was the policy of the administration to reduce the ability of the Interstate Commerce Commission, which was discussed previously in the colloquy with another Member here on the floor, but we are now adding to this ability by providing them with more funds, which the House has taken the leadership in doing.

What we really need is a transportation policy. I do not think that the Department of Transportation and this administration are capable of bringing to us an integrated transportation pol-

icy. They have told us that the answers to our transportation problems are three palliatives: deregulation, revenue sharing, and reorganization of the executive branch.

Now, I think we both probably would agree that some kind of deregulation or change in regulation ought to be considered, but certainly it ought to be considered in the discussion of a whole transportation policy. But if we are going to deregulate in one way, how do we free up regulation in another way? What sort of transportation assets do we need?

I would hope and I have been urging members of the gentleman's committee, including the gentleman from West Virginia (Mr. STAGGERS) the chairman of the committee, for funds to carry on a very comprehensive study of the transportation policy of this country.

I do not think we are going to get the kind of transportation policy that we need and will serve this country in this important way unless the committee on which the gentleman from Texas serves is willing to take the initiative and go out and do that study.

I am not suggesting that the members, who are very busy, do it; but supervise it.

I think this is important to the country. Perhaps some of the important questions that the gentleman is discussing, which are immediate and pressing upon us, may not be solved by a study of this kind, but certainly eventually we will find some kind of solution.

Mr. PICKLE. Well, we must find a solution for our national transportation problems.

I am pleased that the gentleman, who is a very distinguished and outstanding Member of this body, would suggest that our committee conduct this study and even suggests that he would help in the obtaining of proper funds to carry out such a study.

We have stretched ourselves on the committee. I think you will see the moment we can get the Northeast railroad crisis out of our way then we have to jump headlong into the problems we are talking about.

I hope the chairman will do that.

Mr. McFALL. I realize that the Northeast railroad crisis is very important to the country, because the solution, the economic health of the entire country is dependent upon the great productive areas of the Northeast. The railroads in that area are very important and essential to that economic health.

I know it is a crisis and your committee has to solve it, but this is just a part of the whole transportation picture.

Mr. PICKLE. That is correct. It is a problem of the Northeast railroads.

Mr. McFALL. I met a few months ago the president of one of our great automobile companies. I was bemoaning the fact we had such competition from Japanese automobiles to the automobiles made in this country.

He pointed out to me that, yes, they have an advantage when they use their own transportation system on the coast, but when they get mixed up in our transportation system they lose their ad-

vantage. So here we have a very strange situation.

Mr. PICKLE. It is a paradox.

Mr. McFALL. A paradoxical situation whereby even the Japanese cannot cope with our transportation system.

Mr. PICKLE. I think the gentleman will recall that the Committee on Interstate and Foreign Commerce, when it passed the airport and airway development bill, put a provision in the bill that the Department of Transportation would submit to us for our consideration a national transportation policy. The bill provided that some 18 months be given for that preparation. When that time came the Department of Transportation said they were not quite ready. They announced that they had a certain number of guidelines they were studying. We directed that that policy be given to us within the year. When that time came it was not forthcoming. To this day, and that was some three years ago, we still do not have an announcement of a transportation policy.

I realize that it is difficult, that it intertwines itself with all the fibers of our great industrial Nation. But we must proceed to set our priorities. We have to do something about this.

I hesitate to make this comment, but I attended last week the opening of the great Fort Worth-Dallas Airport. It is supposedly the greatest airport in this country, or in any region in the world. It is so huge one cannot imagine it. We hope and pray it will be that efficient, and I assume it will. It ought to be, because some great brain power went into the construction of that airport. But, do you know, one of the biggest problems they have now—and I do hate to say this—but they really do not have a way to move the people from that airport to Fort Worth or to Dallas. So what does it behoove us to spend billions of dollars on an airport facility if we do not have an announced policy in advance that says that this is an integral part of this problem, moving people from downtown out to the airport, and back?

I think we ought to set up a policy in this Congress that we will not appropriate another dollar for any airport anywhere in our country unless, along with the plans for the runways, also there is an accompanying plan for moving people from the city out to the airport.

In one part of the bill that we are going to introduce here, and I will repeat again, is a provision that says whenever there is a large shipment of grain that the exporters, at least, must file a plan with the Department of Transportation and then to the Department of Agriculture, and if the plan is not followed, and the shipment is not handled properly, then we cut off all subsidies. That is not an unreasonable position to take.

And although maybe this does not have an awful lot of glamour to it, maybe it is the beginning of what could be a policy.

So I commend the gentleman from California for his forthright statement. We need his help, and we hope that the Committee on Interstate and Foreign Commerce can take advantage of it;

I hope that we have enough good judgment in the committee to do something about it.

I will close, Mr. Speaker, by saying that we do have this shortage, and we have problems, but we do have some solutions.

The real crux of the problem can be divided into three general areas, first, actual shortage of cars; second, the best utilization possible for the cars and, third, the structuring of rates, regulations, and penalties, or the lack of penalties that are now in use. We just cannot, however, keep on decrying the fact that there is a shortage of cars, and once a year, say that our elevators are full, that we cannot move it out from the ports, that we cannot move lumber or aggregates or any of our other products. We have to do something about it. We have to take positive action. I know it is a problem that is not going to go away very easily.

I see the gentleman from Kansas standing. The gentleman has been in this fine city for 30 years now, one way or another, man and boy. The gentleman said we have always had this shortage. I recognize the fact that if you have the one problem, that means you have got too many cars. If you have got too many cars, that would be a foolish expenditure of funds. It is going to be hard to get a balance now, but we have got to correct that.

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

Mr. PICKLE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I will say here is really where I came in 34 years ago on boxcar shortages. We had them then; we still have them. Listening to my colleague's remarks and his statements about shortages, the question comes to my mind how are we going to resolve these shortages? There are less cars now than there were in 1960. The companies refuse to build them because they claim they cannot afford to build them.

Are we going to create some sort of Government corporation to build the cars and lease them back? What would the gentleman from Texas say to that?

Mr. PICKLE. I would not favor the creation of a corporation where the Government would own the boxcars or freight cars. I do not think that we have reached that point. I do think we could set up a corporation to guarantee loans for the unpaid principal to build new rolling stock.

I had a representative of one of the major railroads in the Midwest come to me last week decrying the fact that he not only had a shortage of cars, but he said:

Even though at times we are in pretty good shape, if we did have the number of cars we needed, we could not move the cars stacking up now at the Houston port because we do not have the engines to pull the cars.

So it is not just freight cars. I would say the best approach would be guaranteed loans rather than a Government corporation, and if that will not solve it, then I would not be blind to the issue; I would look at anything that would help solve the problem. I would hope that the

guaranteed loan would be a better approach.

Mr. SKUBITZ. I want to point out to my colleague another problem. A car in Kansas bound for the west coast takes about 28 days for the round trip. Something is ridiculous when it takes 28 days for a boxcar to go from Kansas out to the west coast and back.

I remember speaking to Mr. Weir, who is assistant director over at ASCS, and he pointed out the fact that if we really improved our present setup to get maximum use out of our cars, say, 10 percent, that it would be equivalent to 140,000 additional boxcars. That led to another point that my colleague and I are both familiar with. That is the roadbeds of the various railroads. Actually it is a shame to say that we have roadbeds for freight cars that should be moving at 50 miles an hour, where they are moving at only 20 miles an hour, which takes more time to reach their destination. It takes them longer to get to market than it should.

Mr. PICKLE. I would say they really ought to be moving at 125 miles an hour rather than 40 or 50 miles an hour.

What an indictment to our industry.

Mr. Speaker, I will conclude by saying I am going to introduce a bill which I am going to circularize to the Members. I hope we have many Members join in this and that we can do something about this problem.

Mr. SKUBITZ. May I say I hope to do some good in our area.

Mr. ANDREWS of North Dakota. Mr. Speaker, I thank the gentlemen, my colleague from Kansas (Mr. SKUBITZ) from Iowa (Mr. SMITH) and from Texas (Mr. PICKLE) for taking this time to call attention to this most serious problem. Like them, and I am sure, like all of my colleagues from farm States, my files are bulging with pleas for help in getting boxcars to haul grain to market.

The farmers in North Dakota have seen wheat prices climb to unprecedented highs only to be frustrated in their attempts to take advantage of this opportunity to gain a parity of income because they cannot get their crops to the terminal. Most recently we have seen a reduction in farm prices and, while the Secretary of Agriculture has predicted this drop will continue, the boxcar shortage still persists.

I believe that the railroads are doing the best job they can with the equipment they have and, in our part of the country at least, they are buying more new cars each year. There is a limit to what they can be expected to invest in rolling stock, of course, to meet a peak demand period considering the possibility many of these expensive cars will stand idle in freight yards once the job is done.

When the Interstate Commerce Commission was organized back in 1887, one of the first problems referred to the Commission dealt with the boxcar shortage in North Dakota. The records do not indicate whether or not that specific problem over 75 years ago was solved but we are all aware that their track record has been dismal.

Only last April, the Department of

Transportation announced with great fanfare the establishment of a task force to deal with the freight car shortage. Since that task force was organized we have heard nothing from it and we can only cling to the dim hope the reason for its silence has been they have been too busy finding solutions to tell anybody about possible progress.

Congress, too, must share in the blame of our failure to come to grips with this matter of great importance to the Nation. Our entire agricultural economy is at stake and our ability to meet foreign trade commitments essential to our balance-of-trade situation hangs in the balance.

Action has been taken on legislation to recognize the overbuilt and largely bankrupt network of railroads in the Northeastern part of the country and the Interstate and Foreign Commerce Committee will, it is anticipated, send its recommendations to the full House soon. In view of the fact, however, the subcommittee's proposal deals with railroads serving an area east of the Mississippi and north of the Ohio and Potomac Rivers, it is understandable why North Dakota farmers have expressed to me their view that it is perhaps a matter of fact that the Congress seems more concerned about the plight of stockholders of Eastern railroads than the plight of those charged with the responsibility of feeding the country and building needed export markets.

We need results, not more rhetoric. Realistic per diem rates should be set on the use of grain cars so there will be an incentive to own rather than borrow them. Under the old practice, boxcars simply have not been available because it is cheaper not to build them, except that this means you cannot haul the cargo.

Second. Congress should take a look at the requests for low interest loans and other funding by the railroads, and in place of advancing capital, perhaps we should furnish rolling stock in lieu of capital—rolling stock owned by the Government that cannot be squandered by inept management and will serve the Nation's needs.

**Mr. McCORMACK.** Mr. Speaker, I want to thank my colleague and friend, the gentleman from Texas (Mr. PICKLE) for calling this special order today on a subject which, to us from the West, is a very special and overriding problem in our desire to continue to provide this Nation with the least expensive and highest quality products possible.

The shortage of rolling stock has been a nagging seasonal restriction to the West for over 100 years. Just now it is beginning to spread into every sector of the economy, on a nonseasonal basis, in every part of the Nation.

The problem, simply stated, is that rail shippers are unable to obtain the rolling stock they desperately need, when they need it. It is affecting grain producers, orchardists, potato growers, coal mining corporations, and the forest products industry. Last, but certainly not least, it is directly affecting the consumer in increased costs of fresh fruits and vegeta-

bles, fuel, and housing, and in many similar unfortunate ways.

The lack of critically needed rolling stock for shippers, when they need it most desperately, is a result of rail industry inability to provide much needed, long-term recapitalization; and of improper utilization of the rolling stock now on the lines.

For the smaller and weaker railroads, the inability to purchase new stock, the necessity to "rent" rolling stock from the larger roads, and the falling off of freight business due to the intrinsic lack of boxcars is a vicious economic circle which can be broken only by limited Government involvement.

According to current studies, the average freight car is in movement only 12 percent of the time, and it is moving only 7 percent of the time with a load. Ninety-three percent of the time, our Nation's rolling stock is empty, while warehouses in the West are stocked to the roof with perishable fruits and vegetables awaiting markets in the Midwest and East, out of the vast and renewable forests of the Pacific Northwest finished timber waiting to be utilized for the construction of hundreds of homes and public facilities, oil and coal necessary for the heating of homes and the production of energy for industry all over the United States.

During the consideration of S. 1149, a bill to increase the supply of rolling stock, Senator MAGNUSON, of Washington, chairman of the Senate Commerce Committee, and a public servant who has contributed a great deal to the alleviation of the problem of freight care shortages, stated:

No doubt investment in freight cars could be more efficiently utilized. To do so would reduce the number of cars and amount of investment required to service the needs of the Nation's rail shippers. For example, the Department of Transportation estimated the shortage of freight cars to be 130,000 cars, about 9% of the existing railroad-owned fleet. A 9% increase in car utilization—increasing loaded movement to 7.63% of the time and average mileage to 34.9 miles per day—would eliminate this car shortage without the need for investment in additional cars.

The application of modern computerized and communications technology would improve car utilization, but we are faced with the fact that some railroads cannot afford the required capital investment; and that some of the larger railroads will not expend capital to provide this needed equipment.

S. 1149 would provide the incentive for necessary recapitalization through guaranteed loans, instead of direct government ownership and subsidization. It would also establish a national, computerized car information system to assist in determining the origin, destination, and location of rolling stock for best immediate utilization.

This legislation, now pending in our own Interstate and Foreign Commerce Committee, provides incentives for solutions to this problem of lack of rolling stock; but, in the event the railroads do not take advantage of these incentives, the Federal Government would establish

a quasi-public authority to purchase and control their own rolling stock.

There are many other versions of legislation pending before the House Interstate and Foreign Commerce Committee. Its distinguished chairman, HARLEY STAGGERS, and the ranking majority member of its Special Subcommittee on Investigations, JACK PICKLE, have worked arduously to define the problems the Congress must confront. The farmers, timbermen, and consumers of the Fourth District in Washington have tolerated this age-old problem long enough. They are demanding that Congress take the action necessary to provide the transportation necessary to allow them to market their production. The problem is more serious this year than last, and it promises to be economically devastating in subsequent years, if the Congress does not take action promptly.

In the interim, we must rely upon the Interstate Commerce Commission to see that our farmers and other producers receive the relief they seek. The Congress can no longer passively accept the fact that many food and fiber producers are being denied their right to market their products, and that the consumer will be the ultimate victim. This is, and has been, an economic crisis. Costs are measured in out-of-business farmers, broken and crippled processors, and a high incidence of job reduction. We must act positively and promptly.

**Mr. SKUBITZ.** Mr. Speaker, I commend my colleague, the gentleman from Texas (Mr. PICKLE) in asking for this special order today to permit a discussion of the boxcar shortage.

Mr. Speaker, here is where I came in. Thirty-three years ago when I first came to this Capitol, an apple-cheeked young man from the Kansas prairies to serve the late Senator Clyde Reed, I was initially introduced to that hardy perennial—the American boxcar shortage.

Senator Reed, who was a member of the Senate Commerce Committee—then the Interstate Commerce Committee—was an acknowledged authority on agriculture and railroad matters. He had appeared in behalf of shippers in literally scores of rate cases before the ICC. He knew railroads and rail management.

At his request, the Interstate Commerce Committee made an investigation and held hearings on the box car shortage. It summoned railroad presidents as well as their bankers. It heard from farmers and elevator operators and shippers. The harvesting season passed, grain rotted outside as grain has year after year, the farmer lost income, and the cycle began again.

Senator Reed was not alone, of course; he was joined in these probes by the chairman of the committee, Senator Burton K. Wheeler of Montana, by Senator Norris of Nebraska, by Senators Langer and Frazier of North Dakota, by Senator Hendrick Shipstead of Minnesota, by Senator Harry Truman of Missouri, by Senator Elmer Thomas of Oklahoma, by Senator Wallace White of Maine, by Senator Alben Barkley of Ken-

tucky, by Senator Guy Gillette of Iowa and others. Earlier this year, their successors, Senator MILTON YOUNG, Senator WALTER HUDDLESTON, Senator DICK CLARK were among those who deplored the boxcar shortage.

So my friend from Texas joins an illustrious company who have over a span of at least four decades battled this problem. What has been accomplished; what is the answer.

The answer to the first question is "nothing—absolutely nothing." The railroads continue to have an inadequate supply of boxcars. They continue to say now as they said over the years that they cannot afford the capital investment necessary to build boxcars to meet what they describe as a temporary emergency situation—a period when commodities must be moved from farms to elevators to market. And each railroad then—and I suppose now—continues to point its finger at its brethren as the other railroad being the culprit because of slow movement, slow handling, or even inadequate demurrage charges.

I remember what happened when Senator Reed proposed that demurrage charges be doubled or trebled as a penalty inducement on both the carriers and the shippers to release boxcars more rapidly. The railroads objected, of course, but the vehement protests that came in from shippers were something to behold. Even the ICC, that agency created a half century before primarily to protect western farmers from gouging and monopolistic practices by the railroads, got into the act on the side of the railroads and the shippers. High demurrage charges would be self-defeating, or something to that effect, was the argument advanced.

The Congress, as might be expected and as is so often the case with Congress, quietly retired from the fray. The boxcar shortage continued and the next year, and in the following years, other congressional hearings were launched—and with the same results.

What then is the answer to the second question—what can be done about the boxcar shortage. The railroads, like so many others who have become accustomed to Government bailouts, believe that the answer is for the Government to subsidize them directly by either building boxcars itself or funding such building through low-interest loans payable over long periods of time.

In fairness, I suppose it can be argued that although they are public carriers with certain responsibilities of public service, the railroads can hardly be expected to fund boxcar construction for emergency periods. On the other hand, the annual harvesting of grain and other commodities, is hardly an unforeseen emergency. The carriers are well aware that it is an annual recurring phenomena in which they are involved.

I have been concerned for almost 2 years with the Pennsylvania railroad situation, the bankruptcy of six roads in the northeast corridor of our country, and the question of a \$2 billion to \$3 billion bailout of private industry that was

mismanned, and perhaps worse, into bankruptcy. In these circumstances, I can hardly look with great favor or sympathy on more Government subsidization of boxcar construction.

I suppose one possibility is the funding of a prescribed number of boxcars annually that would be owned by the Federal Government, perhaps through its Department of Transportation or the ICC. The Government could lease out the cars to the appropriate railroads at rentals that would return construction costs plus a modest interest on the investment. The DOT, or whatever agency is involved, could set its own regulations and requirements that would insure fast turnaround of boxcars, better usage of them.

Meanwhile, it might prod the railroads into upbuilding their roadbeds so that average speed could once again be restored to 45 to 50 miles an hour instead of the 20 miles or less that is now all too common. That alone would increase the supply of boxcars measurably. It takes 28 days to get a boxcar from Kansas to the west coast and back. This is ridiculous. Glenn Weir, Associate Administrator of the ASCS, tells us that a 10-percent increase in freight car utilization would be equal to adding 140,000 cars to the fleet.

So, Mr. Speaker, I once again commend my colleague for his interest and concern. It is no new thing and I have little doubt that a half century from now, his successor from Texas and mine from Kansas, will be investigating boxcar shortages and making speeches about it to this House.

Mr. Speaker, I ask unanimous consent to place at this point a chart which shows the freight car ownership from 1960 to date along with the daily freight car shortages. The chart follows:

	Daily freight car storage	Plain boxcars	Covered hoppers
Jan. 1, 1960	655,418	61,407	
Jan. 1, 1961	639,200	63,910	
Jan. 1, 1962	609,487	65,688	
Jan. 1, 1963	578,834	69,016	
Jan. 1, 1964	543,898	73,223	
Jan. 1, 1965	508,713	87,889	
Jan. 1, 1966	473,798	92,080	
Jan. 1, 1967	454,761	105,027	
Jan. 1, 1968	472,206	118,960	
Jan. 1, 1969	404,592	122,566	
Jan. 1, 1970	386,499	125,867	
Jan. 1, 1971	367,833	130,954	
Jan. 1, 1972	350,493	138,099	
Feb. 1, 1972	349,521	138,202	
Mar. 1, 1972	361,699	139,385	
Apr. 1, 1972	360,345	139,839	
May 1, 1972	357,326	138,848	
June 1, 1972	355,354	139,138	
July 1, 1972	352,121	139,757	
Aug. 1, 1972	350,541	140,993	
Sept. 1, 1972	348,023	141,167	
Oct. 1, 1972	347,444	141,075	
Nov. 1, 1972	343,059	141,023	
Dec. 1, 1972	341,817	140,979	
Jan. 1, 1973	339,613	142,309	
Jan. 2, 1960	193	0	
Jan. 7, 1961	120	0	
Jan. 6, 1962	470	0	
Jan. 5, 1963	220	0	
Jan. 4, 1964	1,298	54	
Jan. 2, 1965	336	19	
Jan. 1, 1966	3,758	208	
Jan. 7, 1967	1,077	146	
Jan. 6, 1968	679	339	
Jan. 4, 1969	1,900	596	
Jan. 3, 1970	2,959	3,206	
Jan. 2, 1971	205	1,499	
Jan. 1, 1972	217	48	
Feb. 5, 1972	1,144	322	
Mar. 4, 1972	1,352	392	

Freight car ownership	Plain boxcars	Covered hoppers
Apr. 1, 1972	1,192	311
May 6, 1972	958	247
June 3, 1972	688	21
July 8, 1972	574	168
Aug. 5, 1972	910	767
Sept. 2, 1972	2,672	1,765
Oct. 7, 1972	3,109	2,142
Nov. 4, 1972	5,237	3,791
Dec. 2, 1972	5,378	4,281
Jan. 6, 1973	8,543	10,122

With car supplies declining, shipments increasing, poor roadbeds, and slipshod unloading at ports, and demurrage charges so low that it pays to pay them rather than unload and pay or build storage facilities. Any wonder we are in trouble?

Mr. CAMP. Mr. Speaker, as this year's record wheat crop clearly illustrates, farmers in my congressional district and throughout the country are meeting the challenge of growing more food for America. But as one of my constituents, a farmer-rancher in the Oklahoma panhandle, reports:

The crop was the best I ever raised, and the price is the highest I have ever received, and I am 65 years of age. Because of this large crop, our elevators and farm storage bins are all full, and we are not getting railroad cars to ship the wheat out to make room for a good crop of milo that we are beginning to harvest now.

I am sure that plaintive cry is familiar to many of us here in the Chamber today. There are not enough railroad cars to move the wheat and other crops to markets and ports. From my experience, everyone involved in this situation is cooperating as well as possible—and I have been in contact with farmers, elevators, presidents of the railroads, and the Interstate Commerce Commission.

The basic problem—that this country is experiencing the worst car shortage in its history—denies easy solution. The best we can do in many cases is to assure that the ICC will carry out its responsibility of seeing that each shipper gets his fair share of boxcars. A fair share of too little, however, has proved totally inadequate to meet the Nation's needs.

What can we as Members of Congress do about this situation which is becoming increasingly serious every year? In the simplest terms, we have got to find a way to effectively encourage the building of more boxcars. We must recognize that the shortage will not resolve itself and accept the fact that we cannot continue to delay some positive action. Legislation has been introduced for this basic purpose—we have a number of bills with possible answers. I urge the House to take early action on this worsening issue.

Mr. VANDER JAGT. Mr. Speaker, perhaps never in recent history have the consequences of America's failure to formulate and implement a national transportation policy been as apparent as they are today. The railroads, which were so instrumental in the development

of our transportation network and which have enormous potential for meeting the demand for transportation services, are in disarray. As we become increasingly conscious of the patterns of energy consumption, we recognize that the movement of goods by rail is essential to our economy. But when we examine the status of our rail system, we find that six of the railroads north and east of the Mississippi River are in bankruptcy. We find that trackage and roadbeds are in poor condition. We find that service to outlying rural areas and even to some of our smaller cities is dwindling. Instead of encouraging a broader distribution in U.S. economic growth, the railroads now seem to be caught up in the continuing geographic imbalance which our economy experiences. Progress in researching and implementing major improvements in rail technology is unimpressive. Despite a Federal commitment to Amtrak, which I have shared as a result of my appreciation for the importance of rail passenger service, improvement in passenger operations has been hampered by Amtrak's entanglement with the railroads, whose legacy is one of disinterest in passenger business.

My interest in the plight of rail transportation has led me to engage in a diversity of activities. I have offered testimony in the Interstate Commerce Commission's consideration of an application by one railroad to abandon its operation of railroad carferries across Lake Michigan between Frankfort, Mich., and two Wisconsin communities. I have encouraged the U.S. Department of Transportation, the U.S. Department of Commerce and the Interstate Commerce Commission to direct attention to the deterioration of railroad ferry service, and to initiate comprehensive studies of its economic problems and prospects to assure the private and public decisions affecting the service will be appropriate and effective. I believe that the rehabilitation or replacement of the vessels currently in use, together with a reorganization of the service, is vital to the economic future of the north central States, and is directly related to the preservation of railroad service in northwestern Michigan. Preliminary steps which hopefully will lead to such investigations are in progress, and I again urge all relevant Federal agencies to cooperate in this endeavor. The Michigan Department of Highways and Transportation also is initiating a thorough study of rail service within the State, having recognized that the survival of the rail network is essential not only to Michigan producers, but to consumers throughout the Nation.

Recently I have taken an additional step to meet our transportation problems. I have submitted a brief *amicus curiae* in a civil action against the Interstate Commerce Commission that is now before the U.S. District Court for the District of Columbia. My brief supports the plaintiff's and plaintiff-intervenors' contention that the ICC has failed to adapt its rate procedures to the requirements of the National Environmental Policy Act of 1970. Failure to thoroughly consider the environmental impact of railroad rates for recyclables and to bring

such an assessment to bear upon proposed rate increases is a major impediment to the reuse of scarce resources. It is my belief that such a reorientation would enhance our rail system in the long run and extend its contribution to the national economy.

The shortage of freight cars is an integral part of this picture of rail deterioration. On September 26 I brought to the House's attention the critical shortage of gondola cars and the restriction that this scarcity is imposing upon the metallic scrap processing industry and in turn upon the conservation of precious resources. Between 1955 and 1973, the number of gondola cars declined by 38 percent, and the carrying capacity of gondolas was reduced by 4 million tons, or 23.4 percent. The remaining gondolas typically are in poor condition. I noted:

In some instances it is questionable whether the cars should be loaded with scrap or scrapped themselves.

The severity of the shortage of boxcars and covered hoppers which are required for the shipment of agricultural commodities was highlighted by a recent survey of grain elevators conducted by the Michigan Department of Agriculture. Operators of 214 grain elevators throughout Michigan responded to this July, 1973 survey. They indicated that of the freight cars that they had ordered since December 1, 1972, only 62 percent of the covered hoppers and 53.9 percent of the boxcars had been received.

Not counting Commodity Credit Corporation stocks, the July survey found 1,935,000 bushels of corn awaiting shipment from the 214 elevators, as well as 80,000 bushels of wheat, 5,000 bushels of soybeans and 300,300 hundredweight of dry edible beans. Sixty thousand bushels of commodity credit grain also awaited shipment. Mr. Porter Barnett, transportation specialist for the Michigan Agriculture Department, has indicated that the freight car shortage already has cost Michigan farmers and elevator operators at least \$10.5 million this summer. A year ago, because of shipping problems, grain elevators were jammed to capacity and many farmers in Michigan were unable to move their crops into elevators. As a result, the quality of their production deteriorated and they suffered serious losses.

Because of the freight car shortage, more grain and beans are being shipped by truck. The result is a higher shipping cost, which ultimately means higher costs of food to consumers. In some instances the increased use of trucks has resulted in a shortage of vehicles.

Comments by the respondents to the survey suggested a myriad of problems associated with current rail operations. The criticisms included lengthy delays in receiving cars, high demurrage costs because of railroad failures to deliver cars to desired destinations, receipt of cars in unusable condition, loss of customers because of railroad restrictions on cars routings, and inability to obtain rail shipments of fertilizers.

Arbitrary application of the "34 car-loads of freight per mile per year" formula as the criterion for abandonment has been harmful to agriculture

in remote areas throughout the country. Railroad abandonment decisions should take into account not only the immediate economic characteristics of the line in question, but also the implications of abandonment upon the region's economy, its environment and social structure. Abandonment rarely solves much, but instead gives rise to other serious problems.

We have witnessed throughout the past six years a series of railroad freight rate increases. Unfortunately, we have seen little evidence of service improvements during this period. We can only conclude that efforts to better accommodate customers, including not merely the shippers but also the consuming public, have been inadequate.

But this is not the time for laying blame. The causes of rail service decay are multiple, and many interests have contributed to it. Among them has been the Federal Government, which had failed to exercise its capacity for leadership by defining a comprehensive, integrated national transportation policy.

I am pleased to join in this discussion of railroad service in the hope that it will contribute to greater awareness of the problems confronting the public. For a more detailed description of the rail car shortage that is affecting Michigan agriculture, I refer Members of the House to the following article from the Muskegon Chronicle of September 5, 1973: [From the Muskegon Chronicle, Sept. 5, 1973]

#### CROPS PILING UP DUE TO STATE FREIGHT CAR SHORTAGE

LANSING, MICH.—A shortage of freight cars has millions of bushels of farm crops piling up at railroad sidings and has cost farmers and grain elevator operators in Michigan at least \$10.5 million so far this summer.

Officials in the state Department of Agriculture said Monday the elevator owners more than 500 of them, are stuck with tons of corn, dry beans and grain which they can't get to the marketplace. "Not being able to move such items as corn, wheat, soybeans and beans out of storage is expensive to everyone," said B. Dale Ball, agriculture department director. "Someone has to pay this additional charge and, ultimately, it is passed on to consumers in the form of higher prices for meat, bread and other staples."

Porter Barnett, a transportation specialist for the agriculture department, estimated the \$10.5 million cost, which he termed a conservative figure based on interest storage and late shipping penalties which total 14.11 cents per bushel.

Barnett said elevators will pass part of the cost on to farmers by discounting.

Last year, elevator owners experienced railroad car shortages because of the wheat deal with the Soviet Union which disrupted normal rail freight traffic for months.

This year, said Barnett, "there is just poor utilization of equipment by the railroads . . . they need a more efficient operation."

There also is a large demand for wheat overseas, Barnett said, which has changed overall marketing patterns.

A survey by the agriculture department in July found two million bushels of corn and 30 million pounds of dry beans in Michigan elevators, "unable to be sent to processors because of rail car shortages," said Ball.

The situation has improved somewhat since July said Barnett, "but we see a problem this month and next."

Last year in October, many Michigan farmers were unable to move their crops into grain elevators, which already were jammed.

The quality of the corn deteriorated while the farmers waited for space in the elevators, Barnett said.

The agriculture department, after surveying 213 elevator owners in July, found that of the covered hopper cars ordered by the operators, only 62 per cent had been delivered.

Of the box cars ordered, only 53.9 per cent were delivered.

Michigan needs about 28,000 hopper cars to haul its grain each fall and 5,000 box cars to haul beans, agriculture department officials said.

Nearly 70 per cent of the elevator operators questioned in July said they ordinarily ship by rail to the New England and northeast feed grain centers. Several shippers said they use only trucks to haul grain because rail cars are too unpredictable.

Hauling by truck is more expensive than by rail, according to agriculture department officials.

Among the costs elevator owners have to pay when there is a shortage of rail cars are late shipping fees.

These are paid to the manufacturer who is buying the farm crop for delivery at a specified date. If there is a late delivery, the elevators owner pays extra.

**Mr. QUIE.** Mr. Speaker, I am happy to join with my colleagues to discuss the critical freight car shortage and its effect on shipment of grain and fertilizers.

Ever since I have been in Congress, the freight car shortage has been a perennial problem in greater or lesser degree. I understand that this problem goes back as far as 82 years when the ICC was established. The first petition brought to the Commission was from some North Dakota farmers protesting the lack of freight cars to ship grain.

In recent years, exports of American agricultural commodities have been increasing significantly. These increased shipments may have caused some problems, but they have been compounded by the huge sales to the Soviet Union. A number of factors culminated in the unprecedented volume of grains which have to be moved.

It is unfortunate that the Federal Government did not take action a number of years ago to alleviate the car shortage so that the current problems might be of smaller dimensions.

It is certainly not my purpose to make any agency, public or private, a scapegoat at this time. It is more important to solve the current crisis and develop a long-range solution. Numerous proposals have been considered by committees in both the House and the Senate, but legislation has not been enacted into law. As a result, farmers are unable to sell their grain to country elevators because the elevators cannot move the grain to ports for export. Many elevators are facing bankruptcy because of their inability to move the grain.

A further complication is that the shipment of grain has made cars unavailable for transporting fertilizer, primarily from Florida to the Midwest. With a critical food shortage, it is essential that fertilizer supplies be made available to farmers for fall application in order to achieve maximum production next year.

Efforts made by the railroads, the ICC, and the Department of Agriculture to solve the problem are to be commended, but more needs to be done. Merely in-

creasing the supply of cars is not the only answer. As many have suggested, more efficient use could be made of existing freight cars. Just last week, we have seen American technology achieve a new "first" in space. It would seem that if our technicians can plot a 59-day Earth-orbiting space record and predict reentry of the space vehicle within a second, the same technology could be used to solve such pressing problems as the freight car shortage.

I submit for the RECORD two articles reviewing the problem. One is from the August 9 issue of the *Journal of Commerce* and the second is from the September 2 issue of the *Washington Star-News*.

My hope is that our remarks today will spur the House into action on this pressing problem.

The articles follow:

[From the *Journal of Commerce*, Aug. 9, 1973]

#### THE GREAT CAR SHORTAGE

The extent to which rail car shortages have dammed up the grains that have been awaiting movement this year is a debatable point. Grain interests report the shortages averaged 30,000 to 40,000 cars daily in some of the first six months of this year, although carrier sources assert the unprecedented 1972-73 movements for export and to home markets have on the whole been handled pretty efficiently.

But no one doubts that there have been shortages and that they have probably been more severe than any others on record. A trustee of the bankrupt Penn Central was recently quoted as saying that between Jan. 1 and April 27 the PC could have earned \$6,480,000 more than it did if it had enough hopper cars on hand to meet the demand.

Congress has obviously been impressed. By an overwhelming vote of 80-6 the Senate passed a bill to increase the supply of railroad locomotives and rolling stock by creating a \$2-billion loan guarantee fund to finance freight car purchases, \$10 million for a central freight car information system and forming a railroad equipment corporation which would begin assembling a car pool of its own in a few years if the rails failed to solve the problem by then.

Like another measure the Senate passed last year, S. 1149 is the product of intense political pressures mounted by agricultural interests. But it is not quite the same bill. Last year the move was made to set up a government-run quasi-public corporation that would not only acquire but manage a federal car pool.

Rail carriers as a whole did not welcome the prospect of the government as a new and dominant factor in the car supply picture. And they had little doubt that this is what it would become if it put \$1 billion into rolling stock, as the 1972 bill would have allowed it to do. Now the Senate has backed off from this a bit. A provision for the quasi-public corporation is still in the bill, but to implement it would require an additional affirmative resolution by Congress.

So there is little question now that the nation's total supply of railroad rolling stock is going to be measurably increased by one means or another. If the rails don't do it the government will, whether through guaranteed loans or direct management. Whether the rails will get the help they are seeking through other means is another question.

And it does seem to us that before it embarks on an undertaking as unusual as a federal car pool, Congress ought to consider steps it could take short of that. Specifically it should remove the tangle of laws and procedures that now make it so difficult for

an individual railroad to scrap deficit trackage. It may seem odd that so many railroads want to abandon excess trackage at a time when they're striving to build up their car fleets, but it is not. The cars earn money; the excess trackage drains it away. The PC, for example, couldn't earn that \$6 million because it didn't have enough hopper cars. But it didn't have the hopper cars because it couldn't finance them. And one of the reasons it couldn't finance them was its inability to get government clearance for plans to abandon up to a third of its trackage.

The Interstate Commerce Commission used to get the blame for this, although ICC blamed shippers and local communities that objected almost automatically. Now the big obstacle is less ICC than the "impact" proviso in the Environmental Protection Act. This has brought the courts into the picture and brought abandonments to a standstill.

The new log jam could be broken rather simply. All Congress need do is say it never intended ICC should be required to make in-depth sociological, sanitation and environmental studies of every community involved in the abandonment of five miles of rail trackage, or that no abandonment be approved if it means another half dozen diesel trucks on the local highways. It could do this by amending the EP Act.

We grant, however, that some areas have reason for concern that a sudden relaxation of the curbs on abandonments could prove upsetting. Phillip Baumel, an agricultural economist for Iowa State University was recently quoted in this newspaper as saying, for example, that ICC's present guidelines for rail abandonments could conceivably lead to abandonment of 1,635 miles of track in Iowa. This would amount to 20 percent of a rail system of one of the very states most frustrated by persistent car shortages.

And, of course, there are grain elevators along these tracks that would be left high and dry when rail service was halted. They would be forced to resort to trucks, which would mean higher shipping costs.

It has been suggested in several quarters, however, that ways might be found to save excess trackage for shippers and communities depending on it without forcing the carriers to absorb its losses forever. The western grain cooperatives, big enough to operate their own truck fleets and exert considerable leverage on the markets, are likely possibilities. Independent elevator operators and other shippers might join with them.

This is certainly no more fantastic an idea than the oft-heard proposal that the government buy up the entire PC Boston-Washington corridor and let the railroad run it. To us, in fact, it makes more sense.

Then no trackage absolutely essential to a community and its shippers would be abandoned. Then the railroads would be freed of the need to subsidize deficit services. And once free of that need, they would have more cash for the new cars everyone wants them to acquire.

#### ICC TACKLES RAILCAR CRISIS

(By Stephen H. Aug.)

The shortage of railroad freight cars has become so severe since the Russian wheat deal, that the Interstate Commerce Commission—anxious to avoid more criticism from Congress—has begun to take unusual methods to solve the problem.

ICC chairman George M. Stafford disclosed in a recent interview that one method has been a form of pressure to force railroads to place freight cars where they're needed most.

On two occasions this year—once in April, and again last week—Stafford invited officials of several railroads and representatives of shippers (grain and fertilizer dealers primarily) to meetings in his office to solve a couple of acute freight car crises.

In one instance it resulted in eight rail-

roads supplying about 1,200 additional freight cars to move fertilizer to the Midwest. In the second Stafford was able to persuade—with somewhat less success so far—some Eastern railroads to improve the efficiency of their terminal operations to provide a faster turnaround of freight cars.

The two cases, Stafford said, illustrate a new mood at the ICC. "We are doing an awful lot of things that are different than we've done before. We're not here just regulating. We're looking into all kinds of policy matters. We've broadened our horizons here into all things we think are entailed with our responsibilities.

Although officials of several railroads and their trade association—the Association of American Railroads—indicated they were more than willing to cooperate with Stafford, there was the inevitable grumbling. After all, it's difficult for a railroad official who has been "invited" to a meeting with the chairman of the ICC to be uncooperative.

"Aw, there was a little grumbling, but it wasn't all that serious," said William H. Van Slyke, executive director of the AAR's car service division—the section of the organization that tries to provide freight cars where they're required.

Van Slyke was among the railroad executives who attended the most recent meeting in Stafford's office on Aug. 22. Still, he said the meeting was basically "a good idea. Certainly something that has to be done." He said of Stafford: "When the chairman gets behind it, it generates a lot of enthusiasm.

The meeting last week was attended by operating officials of the Penn Central, Grand Trunk Western, Chessie System (former Baltimore & Ohio-Chesapeake & Ohio), Erie-Lackawanna, Delaware & Hudson, Boston & Maine, Maine Central and Canadian Pacific. It resulted from complaints by grain dealers in Michigan who said they were unable to get covered hopper cars from the Chessie System to deliver their grains to poultry feed dealers in New England.

Part of the problem, Stafford said, was that the Chessie felt the arrangement wasn't "greatly remunerative" since the freight cars were off the railroad for 27 to 30 days in some cases. This apparently resulted from poor terminal facilities on the largely bankrupt or financially marginal New England lines.

Stafford said the Michigan group "wanted to see if I couldn't get some of the other railroads to offer that service cars and better cooperation on turn-around time."

Ron Stebbins, president of the Michigan Grain & Feed Association of Breckenridge, Mich., said it took about two months to set up the meeting with Stafford. He added that there are plenty of cars available now—but he indicated this was largely due to the fact that there's relatively little feed grain to be moved anyway. He expects the shortage "to start up again the first of October" when harvest time gets under way again.

Van Slyke, however, says the AAR is studying the situation to determine where the bottlenecks are in order to eliminate them before the oncoming harvest season.

Fred Yocom, assistant director of car utilization for Chessie in Baltimore, said that of the railroads represented at last week's meeting, only one—Delaware & Hudson—"told Stafford they could do something for this business." It was the only railroad that would supply additional covered hopper cars, although the bankrupt Erie-Lackawanna indicated it might supply some boxcars, which are more difficult to unload.

Stafford's new policy appears to have had considerably more success earlier this year when, on April 26, he met with representatives of eight major railroads plus the AAR and the Department of Agriculture in an attempt to solve a possible fertilizer crisis.

Seaboard Coast Line apparently found itself without sufficient freight cars to move phosphate fertilizer out of Florida, "and this

had to be done within the next two weeks," Stafford said.

As a result, representatives of Seaboard, Rock Island, Louisville & Nashville, Burlington Northern, Milwaukee, Chessie, Penn Central and the Illinois Central Gulf, met with Stafford, an ICC staff member and Clayton T. Yutter, an assistant secretary of Agriculture.

Stafford was impressed with the cooperation he received: "Each railroad gave enough cars to handle the one-shot deal." As a result between 1,200 and 1,300 additional freight cars were made available to haul the fertilizer to Midwestern farmers.

The ICC was bombarded with requests by angry Midwestern farmers and grain dealers this year as a shortage of grain cars hit its peak in March and April—possibly contributing to the lack of cars available to haul the fertilizer. The shortage was due largely to the Russian wheat deal and the federal government's move to dump stocks of old grains.

Stafford may get a chance to test his new policy of direct pressure in October when a bumper crop of corn—the largest U.S. grain crop—and soybeans will be harvested.

Stafford is fully aware of what the ICC faces—more wrath from the farmers and grain dealers, but he offers little immediate help from the agency, beyond short-range measures to alleviate particularly crucial problems.

Although Stafford points out that the railroads are ordering freight cars on a large scale—7,000 new covered hoppers valued at more than \$125 million were added in the 12 months ended Feb. 28, and another 5,200 larger ones were on order—he said: "I don't think the managements (of the railroads) have been too resourceful sometimes."

Stafford, a Kansan told a Nebraska farm group recently that the "annual freight car shortage struck America in 1973 with a vengeance never before experienced, aggravated by the cumulative pressures of huge grain deals for which there was no adequate prior planning, the ravages of unseasonal weather and record flooding, bankrupt railroads in the Northeastern quadrant and a booming national economy."

He noted that while the shortage, which peaked in April, has eased somewhat with the opening of Great Lakes shipping, "it may be several years before the transportation system recovers from what began in euphoria last August when the United States announced it would sell 422 million bushels of grain to the Soviet Union."

He said that while it is almost impossible to forecast the future of the freight car situations, one of chief consideration will be the amount of grain to be sold to the Russians this year.

On other matters involving the ICC, Stafford pointed out during the interview that the agency recently has begun moving in areas in which it would not have moved a couple of years ago.

"I don't think too many years ago we would have come up with a plan for reorganizing the Northeastern railroads, and we have come up with a comprehensive plan in a relatively short time," Stafford said of the plan the ICC issued earlier this year. The plan envisions a special office within the agency to remap Northeastern railroads and a special freight tax to finance their upgrading.

Stafford, a Republican whose term expires Dec. 31, said it's no secret that he would like to be reappointed. He has been at the ICC since 1967, and in 1970 was appointed by President Nixon to be its first permanent chairman. Until then the chairmanship was rotated annually among the 11 commissioners.

Mr. DENHOLM. Mr. Speaker, I commend the distinguished gentleman and my friend (Mr. PICKLE) for emphasizing again the essential need for a national transportation system.

The problem of shortages of railway transportation facilities and services is almost as old as the industry itself. The first case that the members of the Interstate Commerce Commission every heard was on a petition of farmers from the Dakota Territory. The case was heard in 1878, and involved the complaints of the farmers of the Dakota Territory concerning a shortage of boxcars—ICC Docket No. 1-1887.

The facts are that these Dakota Territory farmers did not have adequate railway facilities in the year 1887. I contend that at no time since the first case was docketed before the Commissioners of the ICC has the availability of railway service been commensurate with the propensity of cosignors to transport products. Furthermore, the availability of essential railway transportation facilities in the fall of 1973 is not adequate to meet existing needs thereof.

The purpose of the special order of today is to recognize the consequences of the current shortage of railway transportation facilities in relation to the demand for transportation of services. I am also hopeful that we may suggest short-term solutions which will preclude a boxcar shortage crisis within the next 30 to 60 days.

Grain is the chief commodity consigned for shipment from my congressional district. The U.S. Department of Agriculture through the agency of the South Dakota Crop and Livestock Reporting Service reports that the propensity for the production of all types of grains has increased dramatically in the last 8 years. The Crop and Livestock Reporting Service has reported that 282.3 million of bushels of all types of grain were produced in 1965. The latest statistics show a steady increase in the production of grain by almost 80 million bushels. In the year 1972, approximately 360.9 million bushels of grain were produced and harvested. These totals include the following grains: corn for grain, wheat, oats, barley, rye, flaxseed, sorghum for grain and soybeans. Various sources have estimated that for the current 1973 crop year, farmers in South Dakota will experience an increase in grain production of 11 to 19 percent. More than 400 million bushels of grain will be harvested in the State of South Dakota this year.

Early this year, the U.S. Department of Agriculture announced that farm-stored grains under the Commodity Credit Corporation loan agreements for the past 5 years would not be extended or renewed. Millions of bushels of outstanding commodities are presently being delivered to country elevators and must be marketed as transportation facilities become available. The grain under the CCC loan agreements is therefore in addition to current and future projections.

Statistics available on production clearly show the propensity to produce grain has increased. Simultaneously, the propensity of demand consumption has increased with rapidity. However, and this is the main point of our discussion today, the propensity of the transportation systems to provide adequate facilities and services to move the commodity of grains has not increased proportionately.

Nationally, the quantity of general service boxcars and covered hopper cars available to transport grain has decreased from 702,084 in 1960 to 502,560 for the year 1970. While the actual production of all types of grains in the north central states has increased, the availability of railway transportation facilities to ship this commodity has decreased.

It should also be noted that during the period of 1960-1970, the number of South Dakota county grain elevators decreased from 533 to 401. This trend indicates that the grain elevators must increase their storage capacity and that farmers will pay increased shipping charges to transport grain from on-the-farm storage bins to county elevators and ultimately to a major grain terminal. More importantly, the elimination of some uneconomical and scattered county elevators has decreased the need of railway companies to maintain and operate certain uneconomical spur lines. This is indicated by the fact that between 1960-70, railway companies serving consignors in South Dakota abandoned 362 miles of track. Therefore the service to the remaining consignors should have improved. This has not been done.

On the 24th day of May 1973, I appeared before a hearing of the Interstate Commerce Commission to state my opposition to the Application of the Chicago and North Western Transportation Co. for a certificate of public convenience and necessity authorizing the abandonment of existing facilities and scheduled services in seven southeastern counties in South Dakota serviced by the petitioner therein.

Now, the transportation of all grain by motor carrier is impossible and economically disadvantageous to the consignors. There is a difference in the prices received by consignors for rail-delivered and truck-delivered grain to market terminals. I have evaluated the economic loss to consignors on four major grains of corn, oats, milo and soybeans produced in seven counties and delivered by truck to selected Midwest terminals. The actual amount of grain produced was in excess of 80 million bushels.

The grain prices on the four grains most often shipped had been compared and the dates of September 27, 1972, and December 27, 1972, were selected as representative of the variation in grain bids paid by the Terminal Grain Association and Cargill, Inc., for grain delivered to Sioux City, Iowa.

A computation of the rail-truck price differential paid on September 27, 1972, by the terminal markets would result in an annual loss to farmers of over \$3 million if no rail service existed in the seven counties and all grain had to be delivered by motor carrier to Sioux City. The same projected computation on market deliveries on the 27th day of December, 1972, would result in a total reduction in excess of \$14 million if rail services were totally discontinued to all the shippers of the areas evaluated.

Mr. Speaker, railway cars are used to transport commodities on the average of less than 3 hours per day. I suggest that if all railway companies increase the use of all boxcars and hopper cars by 1 hour

per day, the added 33 percent usage would virtually eliminate the shortage as it exists today.

The personnel of the Chicago and North Western Transportation Co. have established a task force to handle the shipment of the 1973 South Dakota grain harvest. This special office was established in Huron, S. Dak., in an effort to expedite the movement of grain and to assure the fair distribution of all available railway transportation facilities during the period of critical need. I commend the personnel of the Chicago and North Western Transportation Co. for this effort and I urge all other railway transportation companies serving consignors in the North Central Plains States to establish effective use programs accordingly.

The Members of the Congress and the personnel of the railway transportation companies of America must act now in the public interest. The farm operators in the North Central States are currently at the peak period in the harvesting of their crops. The need for an adequate number of boxcars becomes more critical with each passing day. Eleven of the States in mid-America have 55 percent of the total productive land in the Nation. The national and international demand for food, for production and distribution include the need for an increase of facilities and service for the delivery thereof. The administration has committed the farmers and producers of food in the United States to feeding two-fifths of the population of the world and to the delivery of grain to every major nation in the world. It is imperative that an adequate and viable transportation system exist—if a full competitive marketing structure is to prevail.

Mr. YATRON. Mr. Speaker, when Gordius, King of Phrygia, tied a knot which was incapable of being untied except by the future ruler of Asia, the knot stayed that way until cut by Alexander the Great.

Similarly, the Nation's rail transportation network today has been tied into a very tight Gordian knot—and there is no expectation that it can be cut anytime soon—because of a serious shortage in freight cars.

Consequently, the Nation's boxcar shortage has now reached crisis proportions, not only for our farmers, grain handlers, coal companies, and lumber industries, but also for American consumers. Foremost among the reasons for this shortage is the wheat agreement with the Soviet Union. Since the Russian wheat had to be moved to port, small grain elevator operators and our farmers were left with no available method for transporting the grain or with adequate facilities to store it until such time as rolling stock was available.

However, farmers are not the only people who are suffering. The freight car shortage has tightened our own supply of grain; pushed up the price of food; hurt the lumber industry; squeezed the coal mining industry in my State of Pennsylvania; and contributed to the skyrocketing prices of beef, pork, and poultry.

The Nation is suffering, therefore, one

of its most serious freight car shortages at a time when there are more things than ever before to be carried by rail. Obviously, aside from inconveniencing thousands of shippers of numerous products, the box car shortage is adding serious inflationary pressures to our already overloaded economy and putting new force behind proposals for Government intervention.

Oddly enough, however, the current freight car shortage is no new phenomenon. The first case considered by the newly created Interstate Commerce Commission in 1887 was a petition from a group of North Dakota farmers who could not get boxcars to move their grain to market.

Although the ICC has, over the past several years, improved upon the overall usage of the existing freight car fleet, the extraordinary demand caused by the Russian wheat deal assured boxcar shortages which have been far and above the worst we have ever had to face.

While U.S. railroads were struggling to get huge amounts of wheat to eastern and gulf coast ports as a result of the massive export agreement with the Soviet Union, large quantities of general commodities such as lumber, fertilizer and coal had to sit idly on shipping docks due to the boxcar shortage. Compounding this already serious problem, record flood and unusually severe spring snows crippled much of the Nation's transportation capability in the early part of 1973.

Nevertheless, our railroads have had a busy year and, in the first quarter of 1973 alone, they carried 204 billion ton miles of freight. This represents a 9-percent increase over last year's rate and includes a 40-percent rise in grain haulage.

It may come as a shock to many persons, though, to find that the average railroad car moves a load only 7 percent of the time and for only 32 miles a day. The rest of the time, the average car is moving empty, standing in a railroad yard, idle on a spur to be loaded or unloaded, or out of service for repairs. The utilization figures for American railroads are, obviously, woefully inadequate.

The Department of Transportation, however, has estimated that we need an additional 130,000 cars now; costing \$2.3 billion to meet current demand.

Most significant, however, is the fact that a mere 9-percent increase in car utilization—raising load movement to 7.36 percent of the time—would eliminate the current shortage and give needed breathing space while funds are found to buy additional cars. The need, then, for increased utilization is obvious.

The Congress and the Nation have waited long enough for the regulatory agencies and the railroads to implement additional efficiencies. At least this discussion today could well provide the needed strong incentive to increase freight car utilization and at most a congressional commitment to increase freight car numbers.

For example, during the first 6 months of 1973, the Nation experienced its greatest car shortage in history—an average daily shortage of between 30,000 and 40,000 freight cars in some months. Cur-

rently, the best estimate indicates that rail traffic volume will increase throughout this decade and, consequently, we will need 617,000 new cars costing approximately \$8.8 billion to meet this demand.

Mr. Speaker, this Nation's rural transportation system is currently dangerously inadequate and, as it has been since 1887, it may continue to be until concrete steps are taken.

Farmers, grain handlers, coal companies, the forest industry, and all of the Nation's consumers continue to be hurt seriously by our inefficient system of moving goods to market. While rural citizens bear the immediate costs of rail abandonments, boxcar shortages, and poor farm-to-market roads, the urban consumer suffers the consequences of these deficiencies in higher prices for food, fiber, and forest products.

A solution to this problem is needed now because of our expanding economy; because of the burden which increased use of railroads could lift from our energy reserves; because of environmental concerns; and, most importantly, because of the importance of strengthening and revitalizing the important role which the Nation's railroads play in meeting our overall transportation and security needs. Unless something is done soon, rural rail transportation can be expected to get even worse as urban demand for the products of our farmers and forests expands.

Mr. CULVER. Mr. Speaker, last year's unprecedented problems with the shipment of grain throughout the Midwest was an obvious example of the chronic problems facing the Nation's outmoded transportation system. It also was another painful illustration of the need to anticipate and deal with complex crises before becoming overwhelmed by them. Unfortunately, not much seems to have been learned from last year's lesson, as we are heading into this fall's harvest with the prospects of another major grain transportation crisis.

The transportation needs of our fast-moving society have changed enormously in the last 50 years. While we have an increasing demand for the movement of more grain from the farm to the market, the system designed to perform this function is becoming less capable of meeting the challenge. From bankrupt railroads in the Northeast to fuel starved locomotives in the Midwest, the rail transportation situation continues to deteriorate in many areas in our country. If we do not begin to reverse this trend soon, it is the entire Nation, and not just the farmers, who will suffer.

The rail transportation picture last year was distressing. In the Northeast, 6 of the 11 major railroads were bankrupt. Bad management, labor difficulties, competition, and over-regulation are some of the suggested factors contributing to the decline of these railroads. In the midwest, meanwhile, unprecedented demand for rail transportation of grain, compounded by the sale of wheat to Russia and the Government movement of CCC grain shipments. Shortages of storage space and boxcars left many agricultural producers unable to get their crops to market.

Every reasonable effort must be made to prevent a repetition of that situation this year.

The aspect of the rail crisis which most concerns me is the chronic shortage of box cars, and other railroad equipment such as hoppers, flatcars, and gondolas. At one point, 18,000 more freight cars were needed for grain shipment in Iowa last year than were available. The shortage of cars is complicated by a disorganized distribution system that hampers effective utilization of the cars that do exist. It is estimated that rural elevators in Iowa alone lost \$5.2 million in 1969 due to rail equipment shortages and substandard services.

Many proposals have been made to cope with this serious shortage of freight cars. These include: incentives for construction of new or rebuilt freight cars with a larger load capacity; more rigid enforcement of ICC regulations on movement of cars, including use of "exclusion orders" and stiffer penalties for holding on to the cars; new rate structures for shipment of grains; greater use of specialized grain trains such as unit trains or so-called rent-a-trains; and more federal assistance to declining railroad companies. These and other proposals which have been advanced deserve to be given much more intensive study, and I commend the House Interstate and Foreign Commerce Subcommittee for the attention it has already given to the freight car shortage situation.

There are also other problems related to the rail situation that ought to receive greater attention. The large-scale abandonment of freight lines and the economic impact upon rural towns being served by these lines present serious obstacles to badly needed measures of rural development. The boxcar shortage last year resulted in charges of favoritism and price manipulation in the allotment of grain cars which should be investigated. The continued deterioration of the quality of service offered by the railroads is a matter of concern. We also need to know more about the impact foreign grain sales can be expected to have upon the domestic transportation system.

The most recent, and perhaps most serious, of the rail transportation problems is the inability of some midwest railroad companies to negotiate long-term fuel contracts with suppliers during the continuing fuel shortage. The Rock Island Railroad, which has 1,960 miles of track in Iowa, may be forced to substantially curtail its Midwest operations if it cannot receive adequate diesel fuel. This could have consequences of disastrous proportions for transportation of this year's grain crop. I have recently written Governor Love, the director of the President's energy program, expressing my deep concern over this situation.

It is obvious that this is a complex matter. While there are no easy or quick solutions, immediate steps must be taken now to alleviate the impending crisis. The Senate has passed a subsidy bill which could provide at least one solution to the railcar shortage. I sincerely hope that the House Committee on Interstate and Foreign Commerce will give full and prompt consideration to the measure.

One of the most disturbing aspects of this rail crisis—and so many other crises we have in this country today—is that we need not have been so unprepared for it. It resulted largely from mismanagement and insufficient foresight—a failure to foresee and understand the effect of policies which encouraged large grain sales to the Soviet Union, release of CCC grain from storage, and increased crop production at a time when our transportation system was already in dire trouble. We need to do a better job of forecasting the results of such national policy decisions.

There are some encouraging signs, however, that we will be better able to meet the grain transportation crisis in the coming year. There are more new hopper cars, barge capacity has increased, more storage space is available, and the grain export situation should be better. Nevertheless, more grain will be harvested this year and, despite these hopeful signs, there can be no doubt that many farmers are going to encounter problems getting their products to market in the coming months.

Mr. Speaker, I hope these brief comments will help my urban colleagues to better understand the seriousness and urgency of the rail transportation crisis. The impact of this crisis falls not only upon farmers, elevator operators, and those in the transportation business, but upon consumers and all others who have an interest in the efficiency and productivity of American agriculture. I share with many others the conviction that a Nation which can transport men to the moon and back ought to be better able to provide a national transportation system which adequately serves its citizens.

Mr. MAYNE. Mr. Speaker, my district, the Sixth Congressional District in northwest Iowa, includes 22 counties of some of the richest farmland in the world. It would rank as one of the top producers both of corn and soybeans in the country. Producers and local grain elevators are extremely dependent on rail service to move their grain.

Following record crops last year, coupled with large movements of grain for export, many local elevators still have large quantities of 1972 corn remaining to be moved. The harvest is now beginning in many parts of my district and prospects are for record crops again this year. Iowa's corn crop is estimated at 1.227 billion bushels and 282.6 million bushels of soybeans are expected. If these record crops are to move through local elevators in an orderly fashion, then adequate rail service must be made available to remove 1972 grain stocks, and then continued good rail service must be kept available throughout the coming months to handle the 1973 grain.

Historically, in the State of Iowa, Farmers Grain Dealers, Des Moines, Iowa, handles about one-half of the State's corn crop. When I contacted them on September 21, 1973, they indicated they had 16,000,000 bushels of 1972 corn remaining to be moved from member elevators as compared to 5,000,000 bushels at the same time last year. If we use Farmers Grain Dealers historical share of one-half, this would then indicate that

as of September 21, 1973, the State of Iowa still had approximately 32,000,000 bushels of 1972 corn tied up at local elevators. This tie-up occurs just prior to what will probably be the biggest soybean and corn harvest in Iowa's history.

Just today I was informed by Farmers Grain Dealers that the situation is improving. This is due primarily to heavy rains which have delayed the harvest in Iowa in recent days and allowed elevators extra time to move their 1972 grain. Improved rail service, especially to elevators or branch lines, is badly needed in the coming months.

More than 46,000 miles of railroad trackage have been abandoned in the past 40 years. In most cases these abandonments have hit hardest at sparsely populated rural areas where rail service is most essential for grain movement. It is my feeling that funds need to be made available for branch line improvement and equipment expansion for better rail service to rural America.

However, I do not feel such funds need to go exclusively to railroads for such purposes. I feel loan funds should also be made available to local grain elevators or any business which would be interested in purchasing and improving branch lines and for purchases of equipment.

I intend to introduce such legislation or amend legislation presently under consideration, if possible. I urge my fellow colleagues to join and support me in this legislative effort.

Mr. SHOUP. Mr. Speaker, our economy in Montana is tied not so much to neatly packaged, compact, manufactured goods but rather to bulky agricultural produce and the bulky products of forests and mines.

If we are to continue to supply manufacturers with raw materials and exporters and distributors with our products and produce we must have rapid, efficient, and consistent rail service. An adequate box car allocation is necessary if we are to get our goods to distant markets.

We must maintain an adequate car supply and an efficient and realistic system of distribution of these cars.

We must assure prompt placement of suitable cars for loading and their prompt placement into trains after loading.

Freight car shortages, their causes and effects, are complex problems. It is obvious that the railroads have serious problems in meeting their responsibilities as common carriers. There are not enough freight cars in satisfactory condition available to the shipper when and where he needs them.

A significant reason for car shortages is poor allocation. While it is difficult to pin a dollar figure on poor utilization and missed opportunities, calculations show that a 10-percent increase in freight car utilization could achieve the same result as adding 170,000 cars to the existing fleet.

Harvest time is a critical period for us in Montana. Elevators fill with grain then overflow. If needed freight cars are on an eastern siding, losses are incurred. Often the needed empties are just down

the track. Based on past experience, shippers double order on cars to assure themselves enough cars thus depriving their fellow shippers of their fair number of cars.

In 1970, 93 million bushels of grain moved out of Montana by rail. The State of Montana Department of Agriculture has calculated losses for the year due to lack of freight cars at 1 cent per bushel. It could have been much worse, though at almost a million dollars the loss is great enough.

We must continue to attack this problem. It is not just the shippers who are hurt but those at the receiving end as well. There is no reason why we cannot have cars in adequate numbers and quality and a system that will assure us that needed cars are not laying idle on a siding when there are goods to be moved.

Mr. HAMMERSCHMIDT. Mr. Speaker, foremost among our Nation's problems today is the growing crisis in transportation by which our Nation's agricultural community lacks adequate means to get its bulk farm commodities to the marketplace. This is a most paradoxical problem which, in my judgment, warrants priority attention by the 93d Congress.

Housewives throughout the country are having to cope with rapidly increasing food prices. Everyone who manages a household budget has been impacted by rising costs of farm-produced commodities. At the same time, we have enacted a new farm bill which takes a step in the direction of full productivity on America's bountiful farmlands. If our agricultural production can play a key role in reducing our balance of payments deficit, threatened particularly by increased oil product imports, our ability to move millions of tons of commodities to seaports is a prerequisite factor.

During consideration of the 1973 Federal-Aid Highway Act by the House Transportation Subcommittee of the Public Works Committee, Ray Metzger Jr., of Arkansas, publisher of Construction News, and Arthur Graham of Indiana, editor of Construction Digest, testified that there is a direct link between skyrocketing food prices and transportation factors. These include abandonment of thousands of miles of rail trackage serving rural areas and hundreds of thousands of miles of deteriorating primary, secondary, and farm-to-market roads suffering from years of accumulated neglect.

More than 46,000 miles of railroad trackage have been abandoned in the past 40 years. Most of the abandoned trackage traversed sparsely populated rural regions where agriculture is the backbone of the economy. In addition to fewer tracks, our railroads today are functioning with 30,000 less locomotives and 840,000 fewer cars than they had during the 1930's. During this same time interval, agricultural production and yield-per-acre have soared. The picture becomes even more startling when we consider that, except for minimal maintenance, most of the 2 million miles of non-Federal-system rural roads have gone unimproved in the past three decades.

In 1972, many events culminated into national attention to the issue. We had a bumper grain crop, heavy export sales and record floods closed the Mississippi and Missouri rivers to barge traffic.

In conclusion, I am inserting into the RECORD a pertinent section of an article published in the July 4, 1973, public works issue of Construction News:

EXCERPT OF AN ARTICLE IN THE JULY 4, 1973,  
EDITION OF CONSTRUCTION NEWS

These stubborn facts remain, however: (a) railroads still do not have sufficient rolling stock to handle loading volume requirements, and existing fleets are not being utilized with maximum efficiency; (b) thousands of miles of rural area rail trackage are no longer in use, and more abandonments are in the offing, and (c) as much as half of the roadbed mileage still in service is inadequate and unsafe for today's 100-ton hopper car loadings.

Without a sustained, multi-billion dollar infusion of funds for new rolling stock and for needed improvement of roadbeds and other physical facilities, U.S. railroads will be extremely hard pressed to meet mounting demands for movement of grain and other basic commodities in the immediate future, let alone handle their subsequent burden of an overall national freight load which, according to DOT predictions, will double by 1985.

As was repeatedly emphasized at the two grain movement seminars, this situation also mandates immediate attention to the other modes of transportation, i.e. rural and farm-to-market roads and inland waterways.

Although over-the-road shipment of heavy bulk farm commodities for distances of more than 50 miles has, in the past, been considered prohibitively expensive, many rail-isolated farmers and suppliers are now left with no alternative. In Illinois alone, because of the lack of railroad lines and/or cars, truck hauling of grain increased by nearly 19-million bushels in 1972.

This extended truck-hauling trend will continue to accelerate. And, even within the prescribed 50-mile radius, the movement of grain to elevators and the equally important transporting of fertilizer, feed grain and heavy equipment to farmers is being choked off or made much more expensive by horse-and-buggy secondary roads and dilapidated, unsafe bridges.

It was this fact which prompted Rep. William H. Harsha (R-Ohio) to comment, during recent floor debate on the Federal-Aid Highway Act of 1973, that actual and proposed abandonment of thousands of miles of rail trackage is putting "an inordinate burden on our already over-burdened highway system and leaves highways—many of them inadequate—as the sole source and method of moving goods and services in and out of many of our rural communities."

Harsha went ahead to point out that this is a significant factor in steadily rising food prices.

Overdue improvements and expansion of the nation's waterways system have been almost equally slow in coming. Commercially navigable inland channels were extended by a scant 290 miles, or only slightly more than 1 per cent, in the 1960-70 decade, and stop-and-go funding of Army Corps of Engineers programs has stalled dozens of needed lock and dam and navigation projects.

A case in point is the old Lock & Dam 26 on the Mississippi River at Alton, Ill. The 41-million tons design capacity of these locks was reached and passed five years ago, and barge tow delays of as much as 18 hours are not uncommon.

There is no practical alternative route for these barges and, in addition to the present delay-loss to shippers and consumers of millions of dollars a year, there exists the pos-

sibility of structural failure which would immediately deprive all cities on the upper Mississippi and Illinois rivers of through-barge transportation.

Testifying before Congressional appropriations committees in mid-May, James B. Meador Jr., manager of the Metropolitan St. Louis Chamber of Commerce transportation department, warned that "with the railroad car shortage becoming even more serious, loss of barge service to and from the upper midwest area would result in extremely serious conditions for its people and industry."

"In this connection, grain exports, much of which move south by barge, are extremely important to improving our balance of trade deficit," he added.

Meador urged quick release of funds for replacement of Lock & Dam 26, explaining that, even if construction were to start immediately, the new facility would not be fully operational for another seven or eight years.

Sen. R. Vance Hartke, chairman of Senate's Surface Transportation Subcommittee, sums up the total picture in this manner: "The situation, simply put, is that our needs for fast, safe and efficient ways to move people and goods are far in excess of the capacity of available systems.

"Our rail system is in disrepair. The waterways are nowhere near their full potential as useful carriers. And, despite tremendous strides made in recent years, many of our roads and streets are still either unsafe or inadequate for the traffic volumes they are required to handle."

A number of other influential Congressional leaders are now speaking out on this problem and the enigma of more and more bypassed and isolated "ghost towns" in the hinterlands contrasting sharply with people-packed, transportation-jammed urban areas.

"Our population distribution today is badly unbalanced, with 80 per cent of all Americans living on 5 per cent of the nation's land area," explains Rep. John A. Blatnik (D-Minn.), chairman of the House Public Works Committee. "Half of all our people live on the perimeter of the mainland within 50 miles of the Atlantic, Pacific, the Gulf of Mexico or the Great Lakes.

"We can and we must reverse this flow, and in so doing we can do much to reduce the population pressures that are at the root of today's urban congestion," he stated, adding: "One way to get people back to countryside America is through the development of adequate highways that will encourage industry to locate in rural and small town areas.

"In our concern over the undeniable transportation crisis of our cities," Blatnik concluded, "we cannot afford to overlook or minimize the vital transportation needs of rural America."

Rep. Don Clausen (R-Calif.) echoed the same logic when he said that "if there is ever going to be a change in the quality of life in America, it's going to be brought about as a result of creating either new economic growth centers or revitalizing and diversifying some of the more sparsely populated areas in the U.S.

"If we are going to reverse or slow this out-migration from our rural sections, and if we're going to stop the stacking of people on top of one another in the big cities, then we must stop giving total consideration to allocating funds where the population is without giving some consideration to where the population can be," Clausen pointed out.

The grain shipment impasse is, obviously, just one important symptom of a number of interlocking problems from which the only key is a carefully conceived, adequately financed and quickly implemented national transportation plan.

Mr. STEELMAN. Mr. Speaker, I first became aware of the seriousness of the freight car shortage when I received communications from both large and small companies in Dallas, Tex., regarding the Interstate Commerce Commission's implementation of service order No. 1124, on March 16. The Commission cut in half the amount of free time shippers could hold cars, and raised demurrage rates. ICC felt this measure was necessary to ease the freight car shortage.

Soon after the effective date of the order I received a deluge of mail from wholesale grocers, sand and gravel shippers, asphalt and stone companies, and mining companies. All were small shippers, who stated that it would be impossible for them to operate under the ICC service order.

At the center of my constituents' outrage was the fact that the Russian wheat deal was in large part, causing this national shortage.

I began investigations with the ICC and the Department of Agriculture to determine the extent of the shortage and of the measures being taken to get these cars back into circulation.

I learned that as of March 16, we had only shipped 45 percent of the wheat. That left over half of the wheat to be shipped by May 31. Between the time of the actual announcement of the deal with Russia, in September 1972, and January 1973, when shipping began, 5 months were completely lost for shipping.

And who pays for extra personnel required to load these boxcars at an accelerated schedule? The consumer. First he subsidizes the wheat sale, then he faces higher prices and shortages of wheat, then he gets cost passthroughs for many products moved by rail.

It is deplorable, that in the planning of the Russian wheat deal, officials with the Department of Agriculture were neither concerned nor farsighted enough to realize the strain this would put on boxcar circulation, and that because of this unsatisfactory planning, the people least concerned with the entire deal are being pinched the most.

What will follow with another year's shipment of Russian wheat coming up? More ICC special orders, more people to enforce them, and more demand on small shippers. We need to take care of our own needs first.

Mr. SEBELIUS. Mr. Speaker, I appreciate this opportunity to associate myself with the remarks of my distinguished colleague Representative PICKLE. He certainly deserves credit for sponsoring this special order to discuss a most timely problem: the availability of freight cars and the overall problem of transportation tieups in agriculture.

It has already been dramatically pointed out how acute our transportation problems in agriculture are this year. Although our boxcar shortages may be more extreme this year, obviously this problem has been with us for a long time. As a matter of fact, the first case the Interstate Commerce Commission

ever handled was a boxcar problem in 1887.

In recent years, the shortage has been primarily at harvest time. But this year with our booming economy and agriculture producing at full capacity, the shortage of boxcars has plagued us all year. I can assure you, having the privilege of representing the Nation's largest wheat producing district, my office staff and I have been keenly interested and involved in this problem.

In the wheat harvest, some elevators could not buy wheat because they had no assurance on when they could sell and move the grain. Since harvest, many elevators have been forced to increase their margin and reduce the farmer's price to allow for delay in shipping grain contracted for delivery and the interest on borrowed money to carry the grain. This has strained the resources of many country elevators and has taken hard-earned money out of the farmer's pocket.

We all are painfully aware of the problem. We must get on with solutions which will come only through cooperation and discussions such as we are having here today.

Historically, railroad management has been reluctant to purchase additional rolling stock claiming that it is not economically feasible. However, I understand that in recognizing the problems we in agriculture face, they have committed substantial resources for the purchase of more than 7,000 new hopper cars with 5,000 more on order.

Local elevator officials and farmers have shown their resourcefulness, with the cooperation of certain railroad companies in refurbishing abandoned cattle cars to move grain. I feel this use has limited potential but it has provided much needed capacity for the fall harvest at selected elevators.

The Interstate Commerce Commission, under the astute leadership of Chairman George Stafford, has taken steps to insure that available cars are used in the most efficient manner possible. The ICC plans to set up a joint commission of ICC and railroad representatives at major gulf ports to monitor grain flowing through dockside elevators. Under the plan, the commission would have the power to declare an embargo on grain shipments to the ports if backlog of grain build up awaiting transfer to oceangoing freighters.

The U.S. Department of Agriculture announced recently that it is setting up a monitoring system to identify areas with critical needs for rail equipment to move grain. Currently, nationwide information to determine areas of greatest need for rail cars is not available. As a result, an elevator with grain on the ground, and more being delivered, may not be receiving any cars while other elevators with less acute shipping problems are receiving cars.

This information will be reported to the Interstate Commerce Commission, the U.S. Department of Transportation, and the Association of American Railroads so that steps can be taken to insure a more equitable distribution of cars among all grain shippers.

Several bills have been introduced in Congress to remedy this situation. I feel it is important for the Congress to study these proposals on a priority basis to determine how the massive resources of the Federal Government could be effectively used to solve the problem.

As this discussion has shown, the freight car shortage and our related transportation difficulties are very complex problems. I would emphasize they are not a matter of blame. Solutions to these problems will only come through mutual understanding and cooperation. I commend my distinguished colleagues for their leadership in this area and hope that this discussion will bring direction and solutions to our transportation and boxcar problems.

Mr. HILLIS. Mr. Speaker, I am glad for the opportunity to discuss the freight car shortage today, because it is something the farmers in Indiana's Fifth District have been discussing every day this year.

In my district, corn and soybeans are the biggest freight items. Because of the shortage in adequate freight service for these feed grains, farmers and grain elevators in my district have lost millions of dollars needlessly. They cannot get these grains to market, and they sit rotting in the fields or in the grain elevators. This is insidious at a time for such high demand for feed grains, when an increase in supply could cut all food costs substantially.

I discussed this problem just the other day with a grain elevator operator in my district who generally buys and sells some 30,000 bushels of corn daily. I figure his experience is typical of farmers and elevator operators throughout my district.

In the 4-month crush period of last harvest season, lasting from October 1972 through January 1973, this dealer paid approximately \$1,200 per week in penalties to buyers because he could not get the produce delivered on the promised dates. If this occurred through some fault of his own, I am sure it would be more graciously accepted—but the fact is there was nothing this man could do to get any faster freight service.

The result was that he and other elevators in the area resorted to selling their grain to truckers who, knowing the jam farmers were in, were able to get bargain basement deals—estimated at some 15 percent off the regular grain bushel price. This dealer estimated that the farmers he served in just a 20-mile radius lost some \$1 million during November and December because of this situation—representing about a 20-percent field loss.

What worries this man is that he sees the same situation occurring in the harvest season just beginning this month, despite a year of sad experience and preparation time.

Remembering the tragedy of last harvest season, I have been looking into the causes for the shortage and the possible remedies for it. Put very simply, the shortage of transport facilities can be attributed mostly to the fact that there is just a lot more grain being shipped than ever before, without adequate warning or preparation time. The Association of

American Railroads estimates there was a 50-percent increase in loading of grain and grain products between the 1971 and 1972 harvest seasons. The wheat sale to Russia and increased agricultural trade to other nations has created a demand for a lot more grain, which must be moved from the country to ports for export. Much of the jamup is caused by crowding of ports and inability to process cars in and out fast enough.

Further, last year's winter crops came later than usual, leaving the bulk of transportation demand to the very end of the winter in a short time span. Further, the deterioration every year of the Nation's rail facilities has resulted in ever increasing shortages of freight cars—particularly hoppers and boxcars—shortages of locomotive power, and even some manpower to unload the grain at the docks.

This shortage of transport facilities has resulted in some understandable transport policies, but ones which are clearly not in the interest of the smaller shippers. For instance, in order to get the maximum benefit per locomotive and grain pickup, the railroads have allocated 100 train units to the larger shippers, resulting in a decrease in freight cars available for smaller shippers.

The same phenomenon is seen at the unloading docks, where often smaller train units are shoved aside to process the larger loads first and send them off for other large deliveries.

The smaller farmers and elevator owners are seeing more new cars and more new carloadings than ever before—but they themselves are receiving fewer cars than ever before.

Undeniably, the railroads and the ICC have made some good attempts at alleviating some of these problems—the railroads through an honest attempt to tighten up the efficiency of their operations—the ICC through regulations aimed at breaking up discriminatory policies.

ICC regulations have required the movement of empty and loaded cars within 24 hours; reduced the free time in port for unloading from 7 to 3 days; limited the use of covered hoppers on unit trains to 25 percent; and increased demurrage penalties on loads not picked up or processed in the required time.

The ICC also has mandated that of the new freight cars produced in the past year, a 100-unit train could only have 50 new cars. This will help assure that the smaller dealers see these new grain cars themselves.

These are short-term measures which have helped equalize the treatment of larger and smaller grain dealers. But a large discrepancy remains, particularly because in order to enforce these regulations properly, the ICC would need a significant increase in personnel.

My local elevator operator recommended also that demurrage charges on smaller unit trains be increased, and that restrictions on 100 car unit trains be increased.

I am sure the ICC is studying these and other possibilities. We in Congress should also be studying this problem in depth, more from the line of trying to

find some long-range answers so that the administrative route is not the only answer available year to year.

The options open to us seem to be assistance to the Nation's railroads so they can improve their trackage and equipment, and purchase new cars. I am convinced that better facilities and simply more cars would increase the railroad efficiency by a great deal—enough to solve the freight car problem eventually. This could be accomplished through low cost or guaranteed government loans, in view of the financial condition of many railroads today. Because of the Government's interest in keeping food costs down and assuring a fair competitive advantage to all grain producers and processors, I think some Federal assistance here could be justified.

What else can be done? Since the bulk of grain needing to be transported increased terrifically because of the Russian wheat grain sale, such dealings by the Government should take consideration of the effects domestically—both in terms of transportation and otherwise—and more advance warning should be given to those who should be planning for such an increase.

Further, possibly the ICC can work more integrally with the railroads in devising the most efficient schedules for turnabouts—I believe it has been suggested a National Rolling Stock Information System be developed so that railroads could better cooperate in turnout or trade-off tactics.

I would like to see as little Federal intervention as possible in the long run, but it is clear that Government policies—particularly in the trade area—are going to play a large part in the creation of transportation problems. For that reason, I believe we have an obligation to help assure these problems are worked out, to the greatest benefit of everyone involved.

The farmers and grain dealers in Indiana's Fifth District are talking a lot about what should be done. I think the time for talking may have passed, and the time for doing arrived.

Mr. RAILSBACK. Mr. Speaker, the freight car shortage problem has grown increasingly worse over the past several years. It has now reached such epidemic proportions that we face a national transportation crisis.

The demand for rail transportation presently exceeds our ability to fulfill that demand. And, at the same time, the facilities which are available are not being fully utilized. For example, the average freight car moves only  $2\frac{1}{2}$  miles per day, and it is empty nearly half of the time.

The grain sale to Russia has added extra burdens to the rail transportation system. Port elevators on the gulf coast, where the majority of the grain is being shipped abroad, need to improve their handling capacity.

Men and equipment are both being overworked to the danger point. Rail accidents have increased substantially in the past year.

While nearly everyone is affected by the shortage and all of its related problems, I am particularly concerned about

the people who live in the area I represent.

Recently, the Interstate Commerce Commission released statistics on the upper Midwest region—which includes nine States—that point out millions of tons of grain are grounded due to lack of transportation. At the rate grain is presently transported, 1973's crops will be ready for shipment while a large amount of 1972's grain crop is still waiting for shipment.

How will the Midwest farmer—especially the small farmer—be able to survive? These people have suffered extreme hardships due to the tieups of large quantities of freight cars by large grain dealers as a result of the Russian grain agreement. It has left these farmers with no means of transportation for their grain, and, if continued, will keep them out of the market.

Congress initially recognized and reacted to the car shortage problem in 1966 by passing Public Law 89-430, which directed the Interstate Commerce Commission to set incentive per diem rates to encourage the quick release of freight cars.

Unfortunately, the Commission did not react until May 31, 1969—almost 3 years after the passage of the law—when it informed the Surface Transportation Subcommittee of the Senate Commerce Committee that the Commission was unable to set per diem rates because the act required a prehearing and because of the need for additional studies on ownership and shortages of different types of cars.

We can delay action no longer. Within the next 60 days we are likely to witness one of the worst transportation tieups our country has ever faced unless some action is taken.

The special order being held today will help focus attention upon this crucial issue, and I appreciate the opportunity to participate. I would urge my colleagues to review the problems experienced by the grower, the shipper, and the industry itself. In addition, I agree with the following recommendations of the Special Subcommittee on Investigations of the Interstate and Foreign Commerce Committee, and am hopeful we can find the ways to properly implement them.

Increase the size of the national rail car fleet;

Improve the utilization of the existing fleet; and

Structure freight movement along service lines tailored to meet shipper needs.

Thank you.

Mr. FUQUA. Mr. Speaker, I thank the gentleman for yielding and appreciate the opportunity to participate in this discussion of what can become a very serious problem for America and her economy.

You are aware of the magnitude of the problem from the debate here today. I want to add a couple of personal examples.

The first relates to a poultry business in my district. This business was built through the efforts of the owner, the story of an individual seizing an opportunity and striving to succeed.

Yet, when he came to me, he was in danger of suffering serious financial loss. He was unable to get rail shipment of feed to his business because of the shortage of available rolling stock at the time.

I want to add that officials of the railroads with whom I have worked could not have been more helpful or more diligent. There had been a lack of communication or this individual would not have needed to contact me. We immediately secured shipment for him because he is an agricultural producer.

The second instance to which I would like to refer came last summer as our people prepared for the watermelon season. Now for those of my colleagues who are not familiar with this crop, it is highly perishable. When melons are ready for picking, they cannot lie around in the field awaiting personal whim. They must be harvested or the entire crop can be lost.

There was a serious shortage of piggy-back trailers necessary to move a bumper harvest to market. Prices were not just good, they were astounding. It looked as if this could be the best season in history. Yet, the crop and the farmers affected were threatened with loss of their investment and potential profit.

I might add that we have had enough difficulty with natural disasters in my district to make the prospect of a good year financially even more important to my people.

Again, we were barely able to keep pace with the demand because of the shortage of cars. The piggy-backs that had been shipped out of south Florida were being diverted to other uses in the Eastern United States and I shall always be grateful to the officials of the Seaboard Coast Line Railroad who worked around the clock to get enough cars into our area.

My two stories are those of success. I think they are significant in pointing out how close we came in two instances this summer in my district. Failure to have been successful would have proven disastrous.

The poultry producer could well have been put out of business if he could not have secured feed at a transportation price that he could afford. It is not necessary here to go into all of the problems attendant to price controls and how they complicated the situation.

Second, all of the melon growers in my section could have been severely hurt financially. Truckers were frightened to make long hauls because of the fuel situation. Adequate rail cars were not readily available.

Now the fuel shortage is not going to be appreciably better next year. I personally want to see America produce a bumper harvest and I want to see us sell to overseas markets. However, I do not want to see us cripple and destroy any individual or business in America.

It is my opinion that America has an opportunity to recognize this situation as an economic opportunity. If we fail to seize on this chance, it can become an economic disaster.

So many of you, my colleagues, represent districts that produce perishable commodities that must move to market

in a relatively short period of time between maturity and consumer sales.

This is why I am pleased to participate here today. We are calling attention to a serious national problem. It can be solved with a partnership between government and private enterprise. I think that our policies have to be geared to meet this challenge. Certainly, it is too serious to be ignored.

I thank the gentleman for allowing me to add these thoughts to this most important discussion. If we are successful in calling attention to this problem, and then successful in finding solutions, our efforts will have been more than worthwhile.

Mr. ALEXANDER. Mr. Speaker, I regret that my colleagues and I find it necessary to rise today to discuss the subject before us—freight car shortages and other serious, relevant transportation problems. That we are taking this step is indicative of a critical flaw in the planning mechanism which has brought our Nation to this state of development.

Even a shallow appraisal of the difficulties which will result from the shortage of railway freight cars is disturbing enough. But, when we probe more deeply into what this, combined with other facts about our national transportation network the result is just this side of shattering.

There are basically four freight transfer modes in the transportation system: railroads, highways, waterways, and airways. Each of these elements may be better suited for some kinds of uses than others—at least at this stage in their technological development. In reality only two of them—railroads and highways—have been designed to and actually have reached into the nooks and crannies of America's heartland.

It is in these heartland areas that a major portion of our national food supply is produced. These areas are many miles, not unusually thousands of miles, from the homes where much of this food is needed to sustain life.

"So what," many may say, "there is a shortage of railway cars to transport wheat, barley, oats, soybeans, rice, beef, pork, lamb, potatoes, and so forth. Why get so uptight about that—let the farmers ship the food out in trucks." The fact is that such use of trucks over the highway network, when it is at all possible, is in many cases at best only a temporary and, at this time, very expensive solution—both in the short and the long run—in terms of damage to the existing road system and of transportation rates.

As I pointed out a moment ago, most of the Nation's foodstuffs are produced in the heartland—rural areas. These are the areas which have always been last at the table in terms of the dollars spent to keep up and upgrade their road transportation networks. True, we have spent billions of dollars for highways—particularly since the 1950's. The lion's share, though, has gone into interstate highways and secondary highways coming in a poor second and third.

This is especially harmful where secondary highways are concerned because they, by and large, serve the rural areas

where the food is produced and where the shortage of freight cars is now creating a crisis situation. There is no doubt in my mind that the railcar shortage in the Wheat Belt will make bread cost more in New York City.

We in the Congress must move to require the spending of all transportation funds in such a way that we achieve a balanced freight and people moving system that does not unnecessarily and inequitably penalize one or more groups of our citizens. There are currently groups contending, in what almost seems a death struggle, over control of the dollars we have available for transportation projects. Those of us from non-metropolitan areas maintain that unless more attention is paid to our problems thousands of small towns which otherwise could prosper will die of strangulation. They will not be able to attract the businesses and industries needed to provide the jobs and other opportunities required to keep their citizens. And, their deaths will only aggravate the overcongestion and unemployment problems of the cities where the millions of transportation dollars are spent.

Those of us who come from metropolitan districts say without a heavy infusion of new dollars into mass transportation projects in the cities, the cities will choke to death on their own vehicular traffic.

I have the advantage of seeing these arguments from both vantage points. I represent a congressional district that is nonmetropolitan and I live—when in Washington—in a metropolitan area that is struggling with massive transportation problems. I recognize the critical nature of the problems in both areas and urge that we take the blinders of partisanship off and seek and approve the best possible solutions of these transportation problems. We must have a transportation system in which all modes work together—not against each other.

One of the most immediate problems—one which is likely to bring these problems as painfully into focus for city residents as for country livers—is this freight car shortage. Unless immediate solutions are found for it, the shortage is almost inevitably going to mean a reduction in the amount and quality of food that gets to the city grocery stores. And, just as inevitably, it is going to mean a damaging blow to efforts to keep food prices from soaring to a higher plane.

I would urge all my colleagues to direct their attention to this problem, because it is not just a problem of the farmbelt—it is a problem for every consumer in every congressional district.

**MR. ABDNOR.** Mr. Speaker, instead of repeating many of the facts that have been presented here this afternoon, I would like to cite what the boxcar shortage has meant to my home district in South Dakota in 1973. Farmer and elevator man agree: There has been no worse year in history for trying to move grain. They have been expected to move more grain than ever before. They have been given fewer cars to move it in than ever before.

We are told, Mr. Speaker, that the rail-

roads of this Nation are hauling twice as much freight in 1973 than previously. I have no reason to dispute this statement. The fact remains that in 1973 there were fewer cars available to move 4 years' harvest than there have been in previous years to move 1-year's crop.

There are many factors responsible for this. To be sure, the railroads have had a problem. Whereas in previous years grain cars moved between South Dakota and terminals in Omaha, Minneapolis, and Sioux City, since the Russian wheat sales of 1972, the grain cars have taken the wheat between South Dakota and gulf ports. The distance alone has made a tremendous difference in the time required to deliver a car of grain between elevator and terminal.

Another problem involving the railroads has been that although they have placed in service more of the large covered hopper cars, these cars are able to be used only on the mainlines of the railroads where the roadbeds are maintained. The condition of the branch lines has been and is steadily deteriorating as the railroads seek to abandon stretches of track they call unprofitable. Many of these branch tracks cannot handle the large hoppers even if they were available.

Policies of the U.S. Department of Agriculture have precipitated unnecessary hardship on both the farmer and the shipper. In the first place, last fall many farmers were literally scared into selling their grain when misinformation was promulgated that their crop loans had to be paid by January. Many of those who would have preferred to keep their grain on the farm for later sale and shipment, felt they had no recourse but to sell at once. In so doing they not only had transportation problems, loss in the cash price, but also many ended up with tax problems they could have avoided had they been able to plan their sales in an orderly manner.

The wheat sales, coupled with the calling up of 4 years of stored grain, created havoc that no number of boxcars could have prevented. Had the Government gone about their call-ups in an orderly fashion, much of the hardship could have been abated, or avoided altogether.

Mr. Speaker, one of the five largest grain elevators in South Dakota told me today that in August of 1972 they had received 45 cars for cash grain and 17 cars for Government shipments. This past August they received seven grain cars. In September of 1972 they received 61 cars for the cash crop. Last month they received 12. They have received nowhere near a third of the cars in 1973 that they did in 1972, yet the grain shipments had to be made.

How was this accomplished?

In the first place, they are using more trucks, even though the trucks are more costly. Farmers may be penalized up to 30 cents a bushel on grain shipped by truck. The transportation rates are higher and there is an additional discount taken at the terminal because of the difficulty in handling grain coming by truck as compared with that arriving by rail.

Another innovation that the elevators

are utilizing is that they are using just about anything mounted on a journal box to ship the grain, including open hoppers intended only for the shipment of coal, rocks, and sand. This, too, entails an economic hardship. The elevators load these open hoppers, then attempt to cover and seal them with unseamed plastic covers, but success is limited at best.

Yesterday, a heavy rain hit Omaha, Nebr. One of the large grain shippers in South Dakota had a shipment of plastic-covered hoppers in the yards of that city at the time. Another shipment from a different dealer arrived a few hours later. When the elevators checked this morning, the first shipment had been totally rejected because the grain had gotten wet and was now unusable. The second, although there was some moisture damage, was accepted. Another factor that must be considered is the security problem involved with the temptation presented by high-priced grain in easily accessible circumstances.

Hopefully, Mr. Speaker, when the 4-year's backlog of grain plus the new harvest are cleared out, the situation can return to normal. Neither the farmer, nor the elevator man, nor the transportation, nor the world depending on our food can stand the crunch we have experienced this year recurring anytime in the future. We have a responsibility to see that this never happens again.

**MR. THONE.** Mr. Speaker, there are transportation problems in moving grains. Let us do all we can to correct them. We must not use the transportation problem, however, as an excuse for curtailing export of agricultural products. These are vital to the Nation's balance of trade.

The railroads have added many boxcars, especially many new covered hopper cars for hauling grain. Additional boxcars are on order.

The problem in transportation is now one more of eliminating bottlenecks rather than a shortage of cars.

This week, I wrote to every elevator operator in Nebraska's First Congressional District. I have asked them to report the total number of hopper cars they will need in the next year and how many they have received in the past month and past year. When I have accumulated the replies, I believe they will help convince the ICC and the railroads just how critical the boxcar situation is in Nebraska.

We must move to solve these transportation problems. We can move our grain and move a large portion of it for export. Export of farm products is necessary for the economic stability of the United States. Sales abroad of agricultural goods is the largest contributor toward a favorable balance of trade for the United States. If the Federal Government does not make the foolish mistake of placing hindrance on export of farm produce, the United States will probably have a favorable balance of trade in 1974. This would greatly contribute to the stability of the dollar and of overall confidence in the U.S. economy.

**MR. ZWACH.** Mr. Speaker, I would first like to thank my distinguished colleague

from Texas (Mr. PICKLE) for initiating this special order on freight car shortages, grain exports, and transportation planning.

With our great Midwest in the middle of corn picking and soybean harvest, this special order is all the more timely.

I have been in Congress 7 years. I remember one of the first cases on which I helped was to get additional boxcars to a local elevator which was experiencing difficulties in obtaining cars. Seven years later, that same elevator still has the same problem. Not only does this elevator need more boxcars, but many more elevators have the same problem. We had a shortage of boxcars in 1967, and we have an even greater shortage in 1973.

I am sure that in the 82 years since the ICC was established, the problem of having an adequate number of boxcars in the right places has been a major concern. However, since 1960, the hauling capacity of rail car fleets has increased about 8 percent. During the same time, intercity freight transportation has increased 45 percent.

The newly enacted farm bill encourages greater farm production. We are now asking our farmers to produce more corn, more wheat, more soybeans, and more grains in order to feed our people at a lower per unit cost, while at the same time producing enough excess to export abroad to help support our balance of trade situation.

The American farmer is the greatest miracle worker in the world. He can out-produce any other farmer on this earth. But he can not do it all. He needs help in order to market his products.

My homestate of Minnesota recorded record yields for corn and soybeans in 1972, producing 456-million bushels of corn and 93.1-million bushels of soybeans. The 1973 crops in my district look good and harvesting continues on schedule. With all production restrictions removed from the new farm bill, farm production in 1974 will reach alltimes highs. But again, I must stress that if our farmers can not market their produce, this increased production will be left on the fields or held up in local elevators.

In my 22 county congressional districts, we have had almost daily requests to intercede for our elevators in order to obtain additional boxcars. Some elevators in my district are months behind in the delivery schedules. They need more cars. These elevators are just not buying grain from our farmers, which causes a backlog that reaches all the way to the field, and a substantial decrease in the amount of money received per bushel by the farmer.

The transportation of grain is a complicated problem and will not be solved overnight.

The USDA has initiated a monitoring service to identify areas with critical needs for railroad cars to move grain. Country elevator operators have been asked to report their shortages to the Agricultural Marketing Service, Transportation and Warehouse Division, USDA, room 3969, South Building, Washington, D.C. 20250, telephone 202-447-7423.

The Marketing Service in turn will report the trouble spots to the Interstate

Commerce Commission, the Department of Transportation, and the Association of American Railroads.

It is hoped that this coordination at the national level will help to minimize disruptions caused by massive bulk shipments.

Additional hopper cars are being built, but this takes time, and we need relief now. We need a short term immediate approach to the boxcar shortage, as well as an overall examination of our transportation system.

The boxcar shortage is not a new or recent development. It has been around a long time and the solution is complicated and complex. But in order to continue to meet the ever increasing needs of consumers at home and abroad, we must provide adequate transportation for our producers. If we are going to reverse the exodus of our young people from the farms and strike a meaningful balance between rural and urban growth, we must correct the inadequate rural transportation system in order to insure fast "farm-to-market" service. If we do not, small farm failure and decay of rural communities will continue. We can not let this happen.

#### THE RIGHT OF THE VICE PRESIDENT TO AN INQUIRY BY THE HOUSE OF REPRESENTATIVES

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. McCLOSKEY) is recognized for 60 minutes.

Mr. McCLOSKEY. Mr. Speaker, I rise to support the request of the Vice President of the United States for a formal inquiry by the House into allegations of impeachable misconduct on his part, and in support of House Resolution 570 which would direct the Judiciary Committee to conduct such inquiry.

We are privileged to serve during historic times. Only twice has a Vice President asked the House of Representatives for an inquiry into allegations of impeachable misconduct. The first was in 1826; the second, a week ago today.

I believe there are four principles we, as Members of the House, should consider with respect to this unique situation.

First, the issue is a constitutional matter for careful deliberation and decision by the whole House, not a political matter for quick determination by the leadership of either political party.

Second, our primary obligation today is to do everything in our power to restore, as rapidly as possible, the faith of our people in our system of government.

This faith is the priceless asset of our heritage, and the cornerstone of our strength as a nation. It is as important as the Constitution itself, for without public faith, our Constitution is no more meaningful than the Constitutions of Soviet Russia or mainland China, both of which solemnly promise the same guarantee of free speech, free press, free religion, and free assembly as does our own.

Third, we should do nothing which would detract from or interfere with concurrent judicial proceedings, recognizing that the integrity of the judicial

process requires a clear and public independence of the courts from political influence, both congressional and executive.

Fourth, we owe the Vice President of the United States both fairness and due process of law, with an absence of political considerations from our deliberations as to whether his past conduct merits exoneration, impeachment, or a decision that further House action is not warranted.

The constitutional background of the issue facing us is fairly simple.

The Vice President is subject to impeachment for bribery and other high crimes and misdemeanors. Allegations of bribery both before and after the Vice President assumed office have been reported in the press and have been the subject of comment by the Attorney General, the President, and various White House spokesmen, named and deliberately anonymous.

Only the House of Representatives can impeach. It is one of the two special powers and duties reposed solely in the House, the other being the initiation of revenue measures.

There are two questions of constitutional interpretation which are unresolved. The first is whether a sitting Vice President can be indicted in the courts; the second is whether impeachment should lie for offenses committed prior to taking office. The first issue can only be finally determined by the Supreme Court. The second is a matter which only the House and Senate can decide. It is my initial impression that the House has the power to impeach for misconduct prior to an individual's taking office when the misconduct was unknown to the electorate at the time of his election; whether impeachment should be brought in such a case is for the ultimate determination of the House.

On two prior occasions the House has considered the alleged misconduct of a Vice President which occurred prior to his assumption of office.

In the case of Vice President Calhoun, in 1826, the House chose to grant the Vice President's request to conduct an inquiry into the alleged misconduct.

In 1873, in the case of Vice President Schuyler Colfax, the House Judiciary Committee consider similar pre incumbency misconduct and voted that impeachment would not lie. This is not necessarily conclusive, since at the time of the committee's decision, Colfax's term was due to expire in a few days anyway and impeachment proceedings would have been moot.

Since the allegations presented to us, although third-hand hearsay only, relate to conduct both before and after the Vice President's taking office, the problem is clearly irrelevant to the issue of whether an inquiry should be initiated, although it creates the possibility that the grand jury might indict on one set of allegations and the House impeach on another.

The most difficult question before us is the matter of whether an inquiry should be commenced at the same time as a Federal grand jury in Maryland is taking testimony under the specific authoriza-

tion of the Attorney General and the U.S. attorney for Maryland.

The initial reaction of the Speaker has been that the House should defer any action pending the resolution of the court proceedings. At first blush, this may seem reasonable, but I think careful reexamination is in order, and that the House should respectfully except to the Speaker's decision. The House's action or inaction should not affect the grand jury proceedings. We must of course, acknowledge the very real constitutional question to whether an indictment can be brought at all or whether impeachment is the exclusive action which can be taken against a sitting Vice President. I have previously believed, as a personal opinion, that the Constitution permits the indictment of the Vice President although not the President. I reached this conclusion because to permit indictment of the President would effectively permit one branch of government to stop the operations of another. This is obviously not true of an indictment of a Vice President whose only two constitutional duties are presiding over the Senate and standing by to assume the responsibilities of the Presidency in event of death or disability of the President.

Despite this feeling—evidently shared by the present Attorney General in view of his authorization of the present grand jury proceedings—I would confess to some merit in the argument that impeachment is the exclusive remedy against a sitting Vice President. Presumably the Vice President should be completely free to devote his full time to the study of current foreign policy, diplomatic and military matters as well as those complex problems of national leadership which are the sole responsibilities of the President. The time, energy and uncertainties of facing criminal proceedings can certainly do nothing to assist the Vice President to maintain a proper state of readiness for this awesome potential responsibility, and clearly the Vice President's preparedness, and thus the security of the Nation, can be seriously jeopardized by permitting criminal proceedings to be conducted against him. The Vice President, in his letter to the Speaker of September 25, alludes to the fact that the pending court proceedings "unavoidably jeopardizes" the functions of his office. If he is right, then perhaps impeachment should be the exclusive remedy.

There is certainly also some validity in the point that the language of the Constitution itself lends the inference that impeachment was contemplated as preceding criminal action against a civil officer of the United States.

Article I, section 3, paragraph 7:

Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of Honor, Trust or Profit under the United States, but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

Does this mean that only after impeachment and conviction a civil officer

of the United States may be indicted? The issue has never been fully adjudicated. I believe we must concede that reasonable minds can differ on the point and that only the Supreme Court's decision will resolve the matter. Obviously, with the problems of Statutes of Limitation, there is the possibility that the Attorney General had no real choice but to commence the proceedings in Maryland, even holding a reasonable doubt as to whether criminal indictment was appropriate under the Constitution.

This being so, we must also accept the reality that the present proceedings before the Maryland grand jury can stretch on for a considerable period of time. In the meantime, the allegations of impeachable misconduct remain before the public, understandably causing concern and apprehension. The public faith in government remains skeptical, if not cynical; and the Vice President, who asks for a complete and speedy examination of the issues, remains unable either to confront his accusers, obtain a bill of particulars of his alleged misconduct or present his own defense to charges which are among the most serious recognized under our system of government.

There is nothing whatsoever in our law which prevents a congressional investigation at the same time as criminal proceedings are in progress. The Senate Watergate proceedings have gone forward during the period of indictment of several of its most prominent witnesses, including a former Attorney General, a former Secretary of Commerce, and a former Chief Domestic Counselor to the President. While a defendant in an ordinary criminal case may justly object to undue pretrial publicity which might prejudice his trial, a person who accepts a position of high public trust is in a lesser position to complain of the publicity which necessarily adheres to the operation of the office he has voluntarily accepted. We have long since recognized a different test for public officials under the laws of libel, for example.

The legitimate responsibilities of the courts and the Congress are separate. Justice under law and proper legislative inquiry are of equal importance to the Nation; they are of equal responsibility under the Constitution, and neither should be delayed save perhaps in the rare case where they might be prejudicial to the other.

But where can there be prejudice in proceeding with a congressional inquiry at the request of the only person whose judicial defense can conceivably be damaged thereby? The Vice President himself is the only individual who can be prejudiced, and he is the one who asks our inquiry. The Government's case is certainly not prejudiced. If the House impeaches the Vice President, the court action is not affected. This is also true if the House finds that no impeachable offense was committed. The court's powers and jurisdiction are the same whatever the House may do.

I have heard it argued that the Speaker's decision was motivated by the concern that if the House commenced an inquiry, the court might be more likely

to find that impeachment is the exclusive remedy and that the court is without jurisdiction to entertain an indictment.

This argument seems to me to be specious. Either the Constitution permits the indictment of a Vice President or it does not. Whether or not the House initiates impeachment proceedings does not affect the meaning of the Constitution. No competent judge is going to make his decision on this issue on the basis of whether the Speaker or the House acts or declines to act. The court jurisdiction and congressional jurisdiction are not mutually exclusive.

In all fairness, and other considerations aside, I think we owe the office of Vice President this much—a speedy, comprehensive, and impartial inquiry into allegations of impeachable misconduct so that the Vice President can serve high office without this particular sword of Damocles suspended over his every function. Only the House can act with the speed which the public interest requires.

I might add I think we owe this to Vice President AGNEW himself. Regardless of any disagreement with his political positions, the Vice President has demonstrated remarkable courage in his request to the Speaker of September 25. He has said he will cooperate fully and that he is wholly at the disposal of the House. He has had competent legal advice. He can be only too aware of the pitfalls of perjury and the nature of the testimony and the character of the witnesses who can be expected to testify against him. Likewise, he is also cognizant of the extremely high standard of conduct which both we and the public are certain to impose on an individual who holds his high position at this critical time in our history. He is ready to risk the verdict of public opinion as well as the judgment of the House, and it seems to me we owe him the timely and definitive determination he has requested.

I must confess that if the Vice President is guilty, he has assured his speedy conviction in a forum whose verdict may be more damaging in the light of history than that of the courts. It is refreshing to have a member of the executive come to us ready to reveal the full facts, withholding nothing. The Vice President knows, more than most, that the slightest obfuscation on his part, the barest hint of a claim of privilege or confidentiality—anything less than the full cooperation he has promised the House, could be more damaging than any evidence adduced against him.

Under the circumstances, I admire his courage and hope for the Nation's sake and his own, that he has been guilty of no misconduct. At the same time, I expect, as I am sure he does, that the House will hold him to the highest possible standard of conduct in adjudging the allegations that may be presented against him.

The question as to whether the Speaker should appoint a select committee as proposed by House Resolution 569 introduced on September 26 by the gentleman from Illinois (Mr. FINDLEY) or delegate

the responsibility to the Judiciary Committee is a matter on which I would defer to the judgment of the House.

It does seem to me that the Judiciary Committee includes a number of our ablest lawyers and Members, and that the need for all due speed in the matter justifies the use of an established committee with established rules and a particular expertise and concern for due process of law.

I would, therefore, urge the Speaker to assign this responsibility to either the Judiciary Committee forthwith pursuant to the resolution I have introduced today, or House Resolution 570 introduced by a number of Members of the Judiciary Committee on September 27.

But by all means, let us grant to the Vice President the speedy, definitive hearing and determination which the House granted to Vice President Calhoun nearly a century and a half ago. The Vice President's courage and candor deserve the same on the part of the world's greatest deliberative institution.

#### RESOLUTION

Whereas, Article I, Section 2, clause 5, of the Constitution states that "The House of Representatives shall choose their Speaker and other Officers; and shall have the sole Power of Impeachment"; and

Whereas, Article II, Section 4 of the Constitution states that "The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors". Now, therefore, be it

Resolved by the House of Representatives that the Committee on the Judiciary is directed to conduct a full and complete investigation of the charges of impeachable offenses alleged to have been committed by Spiro T. Agnew.

SEC. 2. The Committee on the Judiciary is further directed to report to the House the results of the investigation conducted pursuant to this resolution, together with any recommendations the Committee deems appropriate, no later than 45 days after the date of the adoption of this Resolution.

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

Mr. McCLOSKEY. I am glad to yield to the gentleman from Indiana.

Mr. LANDGREBE. I wish to commend the gentleman from California for his very thoughtful statement.

I have some regret about this. I have thought about making statements like this, but I did not act. I thought about it.

I did give the press a release at the time Mr. AGNEW asked the House to consider his case and lay it before the Democrat-controlled House to work its will.

I commend the gentleman, and I wish to state it was a very commendable approach.

I should like to say publicly how disappointed I was when the Speaker so promptly slammed the door, taking this upon himself rather than even giving the House an opportunity to indicate its will. So I do certainly commend the gentleman from California (Mr. McCLOSKEY) for this statement.

Mr. McCLOSKEY. I thank the gentleman from Indiana. I believe this points up to the fact that so often we are ca-

pable of reaching instantaneous judgments, and then, upon reflection, recognize perhaps that there were other factors we should have considered. I took this special order today in the hope that a reasoned debate and discussion on this subject might lead some of our Democratic colleagues to the opinion that the initial decision of the Speaker, made so hastily, and based upon the facts before the Speaker at that time, was a decision that should be changed by majority vote of the House of Representatives.

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

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

Mr. WALDIE. As the gentleman knows, I have enormous respect for his integrity and particularly for his legal ability and analysis of constitutional law. I have some questions I should like to ask of him in regard to this procedure.

In the resolution the allegation is made in the resolving clause that the committee is directed to conduct a full and complete investigation of charges of impeachable offenses alleged to have been committed by SPIRO T. AGNEW, but I see nowhere in the resolution where those offenses have been set forth. Neither do I know where we would have access to the charges.

Can the gentleman tell me how the committee would arrive at that intelligence?

Mr. McCLOSKEY. I would assume the only way the committee could obtain evidence of allegations against the Vice President would be by request to the Department of Justice and the full cooperation of the Department of Justice, particularly including the U.S. Attorney from Maryland.

There is a resolution of inquiry which has been filed before the House by the gentleman from Illinois (Mr. FINDLEY) requesting and directing the Attorney General to furnish this House with all information in the hands of the Department of Justice relating to the Vice President and the charges against him.

That is a privileged resolution of inquiry which, if I recall the rules correctly, must be reported by the Committee on the Judiciary, to which it has been referred, within 10 days, after which it comes to this floor for a vote. I would hope that the House would pass that resolution of inquiry requiring that we be furnished with the full nature of the charges against the Vice President.

Mr. Speaker, the most insidious aspect of this matter is that, with the Vice President under challenge for offenses which cannot fail to attract the dismay of people across the United States, he is faced with a grand jury proceeding which is secret and court proceedings which must last at a minimum several months, so that the resolution of the matter in the public interest awaits court determination rather than House determination. This is the reason that it seems to me that due process alone justifies the Vice President's request to the Speaker.

Mr. WALDIE. Well, Mr. Speaker, may I intrude at this moment. Will the gentleman yield?

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

Mr. WALDIE. Mr. Speaker, may I ask the gentleman, Do I gather that the gentleman believes that the House under any conceivable circumstances could arrive at a conclusion as to whether impeachable offenses have been committed within a span of 2 months?

Mr. McCLOSKEY. Well, going back to 1826, within 45 days of its formation, a Select Committee's investigation resulted in a report and recommendation that Vice President Calhoun be exonerated of the charges made against him.

Mr. WALDIE. But there were no indictments pending in that case. Neither had any Attorney General of the United States begun to proceed against Calhoun before any grand jury.

Mr. McCLOSKEY. Mr. Speaker, I can only say as an ex-prosecuting attorney that I would doubt that a full examination of the evidence of bribery, even in a case as complex as this, should take any competent set of lawyers more than 30 days to analyze and understand and to then be able to take testimony from witnesses and permit the Vice President to confront those witnesses and make his own defense. It seems to me that 30 days would be a sufficient time.

Mr. WALDIE. Mr. Speaker, would there not be a competent set of lawyers in the Justice Department and in the criminal court system in the land?

Mr. McCLOSKEY. Mr. Speaker, I gather and I understand, from the time of the first report of these allegations until today, that the Justice Department did not require very many days to move from the consideration of the Vice President's involvement to the decision to take it to the grand jury. My understanding is that they contemplate completing their testimony to the grand jury concerning the Vice President in a matter of a very few days.

Mr. WALDIE. Mr. Speaker, the thing I am troubled with is this: I gather that the gentleman believes we should proceed with the proceedings of impeachment literally, although it is called an inquiry to impeachment proceedings.

Mr. McCLOSKEY. Mr. Speaker, I really have to challenge that, because it seems to me that we have no right to file a resolution of impeachment until we have inquired into whether or not the facts justify impeachment.

Mr. WALDIE. Well, the filing of the resolution of impeachment enables the House then to inquire into the contents of the resolution. Is that not really the impeachment process?

The filing of the resolution of impeachment does not mean that even the author per se will vote for the resolution unless he is persuaded by the evidence adduced pursuant to the hearings that take place under the authority of the impeachment or by the affirmative vote taken.

Mr. McCLOSKEY. But as the gentleman points out, the impeachment, which is similar to an indictment, would require a specific bill of particulars as to the impeachable offenses allegedly committed by the Vice President. He could not be impeached merely on the charge of

bribery. There would have to be specific instances set forth in the impeachment resolution. Those are, of course, not available to us today.

Mr. WALDIE. No, it would await consideration until they are available.

Mr. Speaker, we ought not to proceed, I do not think, on a kind of a dragnet approach where we are simply examining rumors and allegations. If we have the evidence that the Findley resolution would produce, if the Attorney General presents his case in the House of Representatives, the case which I presume he is seeking to present to the Criminal Court session, we would then be able to draw a fairly particularized impeachment resolution. I just do not see why the Vice President, when he came to the House, asked for an inquiry. Why he did not ask for that resolution is strange to me. I gather what he was seeking is that which he was entitled to: "a speedy, comprehensive, and impartial" judgment of the facts alleged against him; but I do not know why the Vice President is entitled to any more speedy, comprehensive, and impartial judgment on the allegation of criminal misconduct than any other American is entitled to.

Mr. McCLOSKEY. I think at this stage in our history any man holding high public office, particularly one connected with the White House, is in a position where it is a matter of national interest that the charges against him be determined at the earliest possible opportunity.

I go back to the first point I made in my remarks, that the greatest obligation of those of us in politics today is to do what we can to assist in a speedy restoration of the faith of our people in our system of government, the integrity of our public officials.

While the Vice President might not have any greater rights than any other citizen in this connection, it seems to me that it is of immense benefit to the Nation if this matter is speedily resolved and that we get back on the track and put Watergate and its accompanying problems behind us and move on to a constructive, affirmative restoration of the faith of the people in our system of government and their participation in making that system better.

It is for this reason, it seems to me, that the request of the Vice President to the House deserves our special attention. There is only one Vice President. There is only one House of Representatives. This is one of our great national leaders, elected by overwhelming vote of our people. He has asked for a resolution of the House of Representatives, an equally great cornerstone of our system of government, and if we turn our back on him, it seems to me we deny our responsibility.

Mr. WALDIE. I think, in terms of the integrity of the people, one consistent argument that can be made and my personal belief is that integrity and that faith are not enhanced by special considerate treatment of a man holding high office because he does. That is in essence what the Vice President is alleging, that the criminal court system has no authority, in fact, to judge his acts while he sits as Vice President. That

would seem to me to be the ultimate variance and it would also seem to me that if we say he is entitled to better treatment than any other American in the speedy disposition of judging criminal misconduct against him, therefore we will give him that speedy disposition in the House of Representatives because he will not be able to get it if he has to be tried in a court system like every other American. That would seem to me to be detracting from the faith of the system you are seeking to enhance, because it would seem to me you are setting up a special category with the Vice President in a very preferential position.

Neither do I see—and I am raising these questions only in the interest of this debate—that we can even conclude that an impeachment proceeding, which as a rose by any other name smells as sweet, and this is an impeachment proceeding, I believe, and I must say I would not even consider supporting it were it not—I think if we inquire in any respect into the conduct of the Vice President as to whether he has committed criminal acts, it ought to be pursuant to the high authority of an impeachment resolution.

So for my purposes, although the gentleman has not intended it as an impeachment resolution but something short of it, I must consider it as that.

Unless we know what the Vice President is accused of having done, it is hard for me to conclude that this proceeding that has been proposed would be any more speedy, any more comprehensive, and certainly any more impartial than would the criminal courts of the land. How can we draw that conclusion with what he is charged with?

Mr. McCLOSKEY. But will the gentleman concede this possibility, and as I said, I originally had a different view of the meaning of the Constitution on this point: There are four references to the process of impeachment in the Constitution. This subject probably received as much debate at the Constitutional Convention in 1787 as any other provision of the Constitution.

Nevertheless, the scholars concede that this point is in doubt. It may be that the language of the Constitution precludes any judicial proceeding against a sitting Vice President. It may be that impeachment is the sole remedy. You have to look at that language from the Constitution that I quoted, indicating that the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, as possibly indicating that only after conviction can a civil officer be prosecuted.

I did not take that view initially until I started contemplating what the responsibilities of the Vice President were. We know we cannot indict a sitting President of the United States because we would interfere with the performance of the functioning of his office. The Vice President contends that despite the fairly minor functions of his office as President of the Senate and as preparing to serve as President, that these functions have been unavoidably jeopardized." If he is in any way correct

it may be that we may get a Supreme Court decision that indictment will not lie against him. And if that is the case, or if it is not, we are looking at months of judicial proceedings before the question of the guilt or innocence of the Vice President is determined.

I think under those circumstances the duty to try to speedily resolve the issue outweighs the fact that of course he certainly could get a fair determination ultimately before a court.

I disagree with the contention of his attorneys that he cannot get a fair trial. The length of those proceedings is what causes me to believe that this is a preferable remedy.

Mr. WALDIE. If the gentleman will yield further, to the extent those proceedings are unduly lengthened because of the claim of the Vice President of his immunity, that is within the prerogative and decision of the Vice President to foreshorten that time enormously by not setting forth that claim. It is a claim of immunity, even if he is correct, that is personal to him. If he does not raise it, then it is not a matter of issue or a matter of delay in the ultimate determination.

Mr. McCLOSKEY. I recognize his particular position.

Mr. WALDIE. So that if there is delay he is delaying it. So why should he come here asking for a speedy trial when a speedy trial is within the prerogatives of the system in the criminal courts, if he should not go along?

Mr. McCLOSKEY. Let me respond in this way: First of all, I can understand his position, that as Vice President, if it is his honest belief that a Vice President should not be indicted while in office, then it might very well be his duty to raise that defense in the legal action rather than continue to allow this to be in doubt for future generations.

Second, even if he should waive the right against claiming that of immunity from indictment, I would guess that the criminal trial on this kind of a charge could not come to pass in perhaps less than 4 to 6 months. Which means that we have a period of 4 to 6 months before the issue is resolved in court. If it then should be resolved against the Vice President we would then be faced at that juncture with the obligation to proceed with impeachment, and we would have delayed for that period of time the removal of the Vice President from office.

Mr. WALDIE. And the consequences of that delay would be damaging to the country.

Mr. McCLOSKEY. That is my point.

Mr. WALDIE. And the other point is that the Vice President would be totally and exclusively within his power to prevent that damage to the country from any of these consequences by suggesting his resignation, be it indictment or any other proceeding. I simply cannot believe the Vice President would in fact bring about the consequences that the gentleman in the well quite rightly predicted would occur in terms of detriment to the country because of his selfish desire not to seek vindication in that court.

Mr. McCLOSKEY. I know of the gentleman's reputation and ability as an

attorney, and I could not believe the gentleman would suggest that a person charged with an offense which he believes he has not committed should ever be placed in the position of having to resign rather than have those charges resolved either through court action or by the Congress in the manner I suggest.

Mr. WALDIE. I am saying that he should resign from the Vice Presidency of the United States upon indictment, and then have the charges resolved in the criminal court.

Mr. McCLOSKEY. I misunderstood the gentleman. If he is indicted, that may raise another question.

Mr. WALDIE. So no damage will accrue to the country that he is so concerned about, and that I am so concerned about, and surely he is willing to be placed before the court after resigning as Vice President upon indictment, and then to seek vindication in the criminal courts where vindication more properly can be granted than in the House of Representatives, and where every other American must go for vindication.

Mr. McCLOSKEY. Do I understand now that in his objections to the House inquiry, the gentleman's objections relate only to the current situation, and that if the Vice President were indicted, the gentleman would feel that the House should speedily undertake the inquiry I have recommended today?

Mr. WALDIE. No, not the inquiry the gentleman has recommended. If the Vice President is indicted and he does not resign, then the damage that the gentleman anticipates that will accrue to this Nation will in fact begin to accrue, and then the inquiry ought to be done pursuant to a resolution of impeachment.

Mr. McCLOSKEY. If he is indicted, I suppose the Justice Department will have prepared a thorough indictment of the charges against him, which would then furnish the basis for a resolution of impeachment; but even then I would be reluctant to see the House indict on the basis of that evidence produced by the Justice Department alone and not evaluated independently by our own committee.

Mr. WALDIE. But the House does not indict until it votes the resolution of impeachment. I am not suggesting that when the Vice President is indicted, or if—and I hope he is not—but if he is indicted by the Baltimore grand jury, and he fails to resign, and he says, "My vindication is more important than the consequences to this Nation," and if the consequences to this Nation are as I fear they might be, and as the gentleman fears they might be, then the constitutional responsibility devolves upon the House of Representatives to bring about that which the Vice President in his own decision did not bring about, and that inquiry ought to be conducted under a resolution of impeachment.

I find myself increasingly concerned about the Vice President's ability to end this trauma to the country. He could end it, once, by not claiming immunity, so that the criminal court system could treat him as it does every American.

He would not then place the House in

the position he sought to place us in by coming to the House. He could say, "I will not seek immunity. The other Vice Presidents before me have not sought immunity, and I will not claim it."

Two, he could on indictment, if he sees those consequences accruing to the country, resign and seek his vindication in the criminal court system. It is within his power exclusively to bring about all of these salutary things to the country that he professes to desire, but I do not see him acting to do so.

Mr. McCLOSKEY. That may be, but it also lies within our power as the House of Representatives to resolve this matter within the constitutional framework, with prejudice to no one. It escapes me why the House of Representatives, granted the sole power of impeachment by the Constitution—the greatest body of inquisition or inquiry in the Nation—should withdraw from the challenge to go into these facts which are of such material importance to the Nation and its security.

Mr. WALDIE. At this point one reason is because no indictment has occurred. If the Vice President, for example, is not indicted in Baltimore, does the gentleman think the House should proceed with an impeachment proceeding?

Mr. McCLOSKEY. I do not think that the House should ever initiate impeachment proceedings until we on our independent inquiry determine that the facts justify such action. Impeachment is not an easy remedy to undertake or even to discuss until we have clear evidence before us.

Mr. WALDIE. I am not saying we should vote for impeachment. It is sort of like seniority. For years one would not discuss seniority around here. Now in recent times we use the word "impeachment." So we have resolutions of inquiry leading to the hated word of impeachment—and it is a hated word, but it is a hated process, but that is what we are doing.

Mr. McCLOSKEY. It is a hated process, because in the past it has carried the tinge of political influence. Impeachment, I think, was never intended by the framers of the Constitution to be used other than in a legal manner to remedy legal wrongs. It has been used in the past for political offenses against which people in the majority of the Congress have voted, against justices who have spoken out against the ruling majority of the House, against Andrew Johnson who defied radical Republicans in the House. Because of the fact that impeachment has been used as a political remedy, it has a bad taste in the mouths of most Americans.

It is within the capacity of this House to change the public understanding of impeachment back to what the framers of the Constitution intended it should be, a means of removal from office of an individual who has committed high crimes and misdemeanors, treason, or bribery.

This is one of the reasons why it seems to me at this juncture in history we owe a particular duty to set aside partisan considerations. There was no secret to the fact that the Democratic

leadership met and decided to do as the Speaker has done, that is determine to take no action on the request of the Vice President.

I go back to the fact that we have one Vice President. He has requested the House of Representatives to have an inquiry to clear his name. Regardless of all else, it seems to me we owe him that privilege.

Mr. WALDIE. Let me ask the gentleman in the inquiry he has suggested, suppose this speed and impartial inquiry resulted in a determination on the part of the House that in fact no impeachable offenses have occurred and the grand jury proceedings go on and criminal court proceedings go on and they ended up in a jury determination that draws the conclusion that he is indictable because of these campaign contributions and briberies.

Mr. McCLOSKEY. That is perfectly proper. The courts have not always agreed with us on the facts nor we with them.

Mr. WALDIE. But then do we impeach if they find him guilty of bribery?

Mr. McCLOSKEY. After we have determined that he is not guilty of bribery and they find he is? I think we have to face that at that time.

Mr. WALDIE. If they find him guilty of an impeachable offense I think we have to impeach him. Can we find him not guilty? I am reversing it because the gentleman is suggesting in his thesis that both proceedings can continue at the same time, but the gentleman says this is faster and that is what the Vice President wants because we will get rid of it more quickly, so we find him innocent and the court finds him guilty. We have vindicated him and they find him guilty. We have a Vice President the House of Representatives said did not accept bribes or illegal campaign contributions but the grand jury finds him guilty and they send him to jail.

Mr. McCLOSKEY. Then the Nation will have gained because we will have seen democracy in action with different constitutional processes which reach different results. It is quite often that an appellate court will overrule a lower court and the Supreme Court will overrule both. I cannot conceive of anything more democratic than having men change their views and change their minds as they are presented with more persuasive evidence.

Mr. WALDIE. I thank the gentleman for permitting me to participate. I think it has been a service to the House. I hope the gentleman's presentation is well read and understood.

I can think of nothing more sanguine for the well-being of the country than for the Vice President to resign before these traumatic situations confront us and the country.

Mr. McCLOSKEY. I can only hope partisan political instincts will play no part in either the decisions of the Congress or of the executive branch of the Government.

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

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

**MR. BADILLO.** Mr. Speaker, I commend the gentleman from California (Mr. McCLOSKEY) for initiating this discussion and agree with him regarding the propriety of and the necessity for a House of Representatives inquiry into allegations against the Vice President. My judgment on this is based on two key points:

First, I think it is a matter of national urgency that all the facts involved in the charges against the Vice President be determined and made public as quickly as possible. The natural time lag involved in the judicial process combined with the constitutional issues which are being raised by the Vice President's lawyers make such early disclosure virtually impossible except through House action. The Nation and the executive branch have been damaged enough by the Watergate affair without this additional cloud serving as cause for further paralysis.

Second, it is my belief that there is no constitutional impediment to House action while a criminal investigation or other judicial process is going on. In my view, the framers of the Constitution intended impeachment and the steps leading up to it to serve as a separate remedy to whatever action might be initiated through the courts. This was done so that expeditious and decisive action could be taken to avoid a President or Vice President existing in a sort of limbo while public debate raged on. The framers of the Constitution wisely foresaw how dangerous that situation could be for our Government and the Nation and that is precisely the situation we are confronted with today.

Watergate and the charges involving the Vice President have shaken public confidence in our Government and its leadership as never before. Restoring that confidence will not be easy, but it is a task we dare not avoid.

It is my hope that today's discussion will convince the leadership of the House to reconsider its decision not to initiate an inquiry into the charges against the Vice President. Unless that step is taken, judicial action might well drag on for so long that the remedy of impeachment would no longer be available.

**MR. SYMMS.** Mr. Speaker, first of all I would like to congratulate my colleague from California (Mr. McCLOSKEY), sponsoring this special order today on the situation involving the Vice President. Mr. Speaker, I am most concerned and upset over the treatment that Vice President AGNEW has received from those in charge of investigating the alleged wrong doings in Maryland, and I am equally upset at the attitude of the leadership of the House toward the Vice President's request for a House investigation of the charges of his involvement in the Maryland situation.

In my opinion the decision was political in nature. The Vice President seems to be of the opinion that the Justice Department case has been stacked against him and that some of the witnesses against him are guilty of perjury. With this being the case the only fair solution is for the House to take up the investigation and clear the air once and for all. However, Mr. Speaker, some of the

arguments given for not acting on Mr. AGNEW's request border on the ridiculous. Some have said that the House is cowardly and incompetent. It seems odd to me that a grand jury composed of a cross section of people is held competent to evaluate evidence, yet the Members of the House of Representatives are considered incompetent to perform a similar task.

Of course, Mr. Speaker, the House is free to shirk its responsibilities if it wants, but the act should be seen for what it is. The decision was not made on constitutional or legal grounds, but on political grounds. The Democratic leadership in the House does not want to end the uncertainty that threatens to cripple this Republican Vice President. If we find that the same uncertainty cripples the Republic, then the House will pass the buck once more, blaming everyone but ourselves for letting the damage come to pass.

Finally, Mr. Speaker, I would like to take this opportunity to say that I am completely behind the Vice President in his attempts to get to the bottom of the leaks, gossip, and innuendos that have been steadily flowing from Mr. Richardson's quarters in the Justice Department. It goes without saying that there should be a full and thorough investigation of this type of "trial by leaks." It certainly is not what we would expect from an Attorney General of the United States and those around him. Consequently, the Vice President will have my full support in his efforts to clarify this situation and expose those who have tried to ruin him politically wherever, and whomever, they may be.

Mr. Speaker, I think we must all commend the Vice President for the open willingness he has demonstrated to bring his case before the public.

I appreciate his forthrightness to let the chips fall where they may.

**MR. CRANE.** Mr. Speaker, we are living through a period unprecedented in our national experience. Rocked by scandals, failures of Government, economic, energy, and moral problems, it is no wonder surveys indicate public disgust and distrust of both individuals and institutions.

If all this were not enough, we must deal as well with the current phenomenon of trial in the media by innuendo, heresay, and quotes from "undisclosed," "informed," or "high placed officials."

This vicious, irresponsible, professionally unethical practice jeopardizes our judicial procedures through pretrial publicity and character assassination.

In the case of the Vice President of the United States, there is a constitutionally provided redress of the grievances Mr. AGNEW has suffered. The Founding Fathers provided for the impeachment of Federal officers charged with serious crimes. The House would be remiss in its public trust if it chose to ignore allegations of the magnitude Vice President AGNEW has been charged with in the press based upon undisclosed sources. If the unsubstantiated allegations are true, clearly the Vice President is guilty of crimes warranting impeachment, conviction, and removal from office.

No one is more aware of this fact than the Vice President himself. He has al-

ready resigned himself to the conviction that this whole messy affair has destroyed his political future. At this point he is fighting desperately to vindicate himself in the face of malignant attacks upon his integrity.

With such a purpose in mind, the Vice President respectfully requested a House inquiry into the allegations that have clouded his career. In making such a request, it was with the full knowledge that any or all charges against him would be brought before both the Congress and the public.

The Vice President has told friends, the President, and the American people that he is innocent of charges imputed to him. He is entitled to a public defense before the House of Representatives.

When the Vice President stands up for his rights on this subject, he is standing up for the rights of all Americans. It is particularly in the interest of those of us in public office today to recognize that House action, within the framework of constitutional processes, can help to restore confidence by the American people in their elected officials as well as our institutions.

Vice President AGNEW has made it clear that he is willing to shoulder the responsibility of protecting all our rights by standing up for his own; how much easier it would be for him to "cop" a plea. Instead he has stood firm. He has asked us to investigate the charges in order to get at the truth.

What Vice President AGNEW has asked of us will not vacate any other proceeding; it will not spare him from eventual sentence if he is guilty; it will do nothing more than to expose the truth to the American people. If the man accused can live with the truth, so can we.

What he has asked of us will confirm the truth as an institution by which our rights are protected.

If we in the House choose to do nothing, our inaction will further only the degradation of truth.

As Sir Thomas More once said:

I would uphold the law if for no other reason but to protect myself.

The fundamental law is the right of a person to a fair trial.

We have no choice but to uphold the law. I call upon this House to grant the request of the Vice President and investigate the allegations made against him.

#### GENERAL LEAVE

**MR. McCLOSKEY.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

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

There was no objection.

#### PREVENTING CONTROL OF KEY STRATEGIC MATERIALS BY FOREIGN INTERESTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I rise today to discuss H.R. 8951, a bill I have co-sponsored with the Honorable JOHN H. DENT and which has attracted the attention of the Honorable JOHN E. MOSS, chairman of the Subcommittee on Finance and Commerce. Mr. MOSS has stated he will hold hearings on this bill at an early date, and I appreciate his interest and concern in a matter I believe will become increasingly important to all Americans.

H.R. 8951 will accomplish two primary objectives which I think are vital to the future of our country and its people. It will prevent the control of our Nation's key strategic materials and resources by foreign interest; it will also soften what could be a most disastrous impact on our reeling economy by the sudden and massive influx of billions of foreign-owned American dollars.

We know what has whet the appetites of foreign investors and speculators to obtain more U.S. holdings. It is our chaotic economy. Foreign interests see a golden opportunity to unload their excess devalued American dollars and obtain control of the American economy. It is good business for them to take advantage of the situation. But, is it good business for us to allow them to do so, at the expense of our Government, our national security, and our people?

If a man is trying to shake a cold, does he drink the entire bottle of cough medicine in one gulp? It might cure his cough by killing him. I know our economy needs treatment but I do not believe an overdose of foreign-owned dollars is the answer. The medicine should be administered in measured doses.

H.R. 8951 permits foreign investments in U.S. markets. It permits acquisition up to 35 percent of nonvoting securities and 5 percent of voting securities. That is enough to turn a tidy profit and it is more than is given U.S. businesses by some foreign government. Foreign investors should be permitted to diversify their interests here but they should not be allowed to control our economy.

Our economy has been in trouble for the past few years and the administration has tried one solution after another in an unsuccessful attempt to cool the boom and curb inflation. At the present time, it is pulling money out of circulation in hopes of achieving its objective.

Does it make sense then to permit foreign investors to dump massive amounts of their cheapened American dollars into the economy while at the same time our own Government is trying to pull money out? If we permit this, what will happen to our already soaring inflation? I can guess and so can you. Inflation will skyrocket even higher, dragging the consumer along with it.

For example, there is evidence that foreign interests are buying up all our corn they can get their hands on. Price is no object. They bid whatever is necessary to get it. What does that mean to the American who needs corn, too? He cannot play by the same rules. He does not have billions of dollars to unload. If he stays in the bidding, he will end up paying far beyond his means. The expense will be passed on to the consumer. If he drops out of the bidding, where does

he get the corn for his cattle? From the foreign buyer? And at what cost?

Look at the textile industry. Japan, which normally buys 600,000 to 800,000 bales of cotton a year, already has contracted to buy nearly 2.5 million bales of our current crop. Why? Has the Japanese textile industry grown 2½ times in size in 1 year? Of course not. What then is the purpose behind these huge purchases? Is she using her cheapened American dollars to corner the market and drive up the price of cotton?

The People's Republic of China also has begun buying large quantities of cotton and other agricultural commodities. Is it possible, then, that before long the American housewife will be paying \$20 a pair for blue jeans made in China of cotton grown here but sold at prices far above their present level?

The Japanese also have purchased approximately 34 percent of the wool available throughout the world, paying whatever she must to get it. Again, she is driving up the price to the detriment of our textile consumers.

Industry Week magazine recently reported three Japanese firms—Tokai Dyeing & Processing Co., Ltd., Kawabo Textile Co., Ltd., and C. Itoh & Co., Ltd.—will enter into an \$11 million joint venture with unnamed U.S. partners to build a knit fabric plant in California. The Japanese, according to the article, will hold about 70 percent of the venture. What effect will this have on the American consumer?

Recently, I watched an NBC report on television that described the wide scope of Japanese buying in America today. In addition to wool and cotton the Japanese pay high for diamonds, works of art, thoroughbred horses, honey, and, believe it or not, the gallstones of cows. The Japanese use the stones in the manufacture of an aphrodisiac, I believe. I do not think the American consumer will be upset over a shortage of cow gallstones, but I will bet they are galled at the going price of them—\$125 an ounce. Cow gallstones are worth as much as gold!

But, Japan is not the only shrewd investor on the prowl, although she may be the most active. There are others. Canada is showing increasing interest in investing here. We are all familiar, I am sure, with the attempt being made by the Canada Development Corp. to acquire Texas Gulf Corp. I wonder, however, if everyone knows that the only stockholder in CDC is none other than the Canadian Government?

The United States happens to have been blessed with an abundant supply of various natural resources and materials. Some of those resources have been drained by our growing need for them as well as the growing needs of the world. Whatever supplies we have left are in great demand and foreign investors will bid to the ceiling to get their hands on whatever they need. They will buy the company which mines it, if necessary.

The same fervor to control exists in other areas. We have, for example, ample coal fields in our Nation and we know there is a concerted effort to turn to coal for our energy needs of the future. Foreign investors know it, too, and they are

buying up coal and timber rights as fast as they can.

What will happen if they get control of these vital materials? Will they have any great concern over the preservation of our forests? Or will they rip them apart for as much board feet as they can get? Will they exhaust our coal fields? Will they sell the coal to us once the technique of converting coal to gas is perfected?

What of the possibility of a vital industry, such as steel, becoming foreign-owned? Would we someday find ourselves dependent upon a foreign firm for the production of steel products necessary for our Nation's security and survival? Could any one of you guarantee that someday the United States would not be refused products needed to defend herself in times of emergency? And, what would our Government do then? Take the industry over by force, challenging the government of the foreign owner to do something about it?

And, what happens to the American working force when their foreign employers decide they no longer need them? If our steel industry was controlled by foreign interests and the world demand for steel suddenly nosedived, would the steel magnates operate a plant here or in their own country? Would they show any concern for our economy, our workers and their families, our consumers? Or, will they leave the abandoned mines, the empty mills, the scarred timberlands as monuments to man's greed? Remember, these investors are not guided by compassion, nor the national interest of the United States, but by the national interest of the foreign country of their origin.

They certainly displayed no such concern after they gained control of the manufacture of our baling wire industry. In 5 years, low cost imports drove six of nine American wire companies out of business. They dominated the industry—as long as it served their interests. However, when the dollar was devalued and the American market lost its attractiveness, the foreign wire suppliers halted their shipments to us.

Now, farmers cannot get the wire they need to bale a bumper crop of hay. They are going to the black market, paying triple the normal cost because they need that hay to feed their cattle. Ultimately, this added cost will be reflected when the consumer goes to the butcher shop for the family dinner. Walter Cronkite, the noted CBS correspondent, recently commented on the rise of foreign multinational corporations and the growing realization among Americans that for the first time, probably since the American Revolution, their lives might be subject to decisions they cannot control—decision made in Tokyo, Ottawa, or Zurich.

Mr. Cronkite astutely observes multinationals have the potential to disrupt a nation. They could close a plant in one country where labor is well-paid and open another in a country where labor is cheap. They could quickly transfer huge amounts of credit from wobbly to safe currency, possibly creating world monetary crises.

There are those in our Nation today who would say: "What are you complaining about? Did not U.S. investors and speculators go abroad and dominate the industries and control the economies of other nations? Are you going to sulk now that the tables are turned?"

The United States did go abroad after World War II, but we supplied capital and know-how, which the foreign countries lacked, and we went at the invitation of the foreign government. We created healthy economies from shattered ones. We went to underdeveloped nations and established industries there, putting their people to work and, in many, many cases, improving the standard of living.

Foreign investors and speculators coming here today are not coming to aid an underdeveloped nation where the economy has been destroyed by the tragedy of war. They are coming to a nation which maintains the highest standard of living in the world; a nation whose industrial strength was such that it enabled the free world to stand against and defeat its enemies in two global conflicts and several other wars.

Mr. Speaker, no other nation, no other people, in the history of the world, has given so much to other nations and other people than has America and Americans. We have given foreign governments American technology; we have given foreign governments American money; we have given foreign nations American lives. I do not believe we should give foreign governments, or their business representatives, control of America's future.

The concern expressed by my colleagues, the Honorable JOHN H. DENT and the Honorable JOHN E. MOSS, as well as other Members of this body with the takeover of American industry by foreign investments, is underscored by the recent remarks of the Honorable Edward Gough Whitlan, the Prime Minister of Australia, on August 1, 1973, to the American-Australian Association.

We certainly want to discourage foreign takeovers which do not strengthen the Australian economy but merely transfer control of existing enterprises from Australian hands. As far as American companies are concerned, our experience has seen that they are generally more interested in direct investment, which has a greater potential benefit for Australia than the takeover of an existing Australian business. Even in the case of direct investment, however, we are looking for increased Australian participation.

Australia, under my government, intends to be a mature, responsible, and generous member of the International Trading Community; yet, at the same time, an Australia determined to be master of its own household.

If foreign countries such as Australia, and many others, are "determined to be masters of their respective households," can we say that they are wrong, and in the meantime allow foreign interests to be the masters of our household?

The Congress appropriated \$75 billion for national defense for fiscal year 1973, and will soon consider a similar appropriation for fiscal year 1974 to insure the national security of this country. Yet,

at the same time, we run the risk of an economic takeover of this country, if we do not prohibit foreign interests from acquiring control of our vital industries.

Will you and your family feel secure when some of the key strategic industries of the United States are controlled by foreign interests?

#### FEDERAL INVOLVEMENT IN EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. LANDGREBE) is recognized for 60 minutes.

##### GENERAL LEAVE

Mr. LANDGREBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

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

There was no objection.

Mr. LANDGREBE. Mr. Speaker, probably nothing has fallen from public favor more in recent years than public education. Widespread disillusionment is evident among parents and taxpayers over the billions they have lavished on U.S. education on recent times: In 1965, almost 80 percent of school bond referendums for public schools won approval; by 1972, the figure had dropped to 47 percent.

Dr. Sidney P. Marland, Jr., Assistant Secretary for Education, Department of Health, Education, and Welfare, sums up the current public attitude toward education as follows:

There is manifest in the country—to my knowledge, for the first time in our history—an active loss of enchantment with our schools . . . from kindergarten through graduate school . . .

For the first time, Americans in significant numbers are questioning the purpose of education, the competence of educators and the usefulness of the system in preparing young minds for life in these turbulent times. (U.S. News & World Report, September 3, 1973, p. 28.)

Well, why should they not be disenchanted? The costs of education are soaring while the quality of education falls lower and lower. Enrollments in public elementary and secondary schools rose from 36.3 million in 1961 to 45.9 million in 1972, an increase of 26 percent. But during the same period, school spending rose from \$17 billion to \$48.6 billion, an increase of 186 percent.

The evidence of failure of public education during this same period is all around us: widespread drug addiction among the young; student violence; functional illiteracy. Experimentation with such things as the "look-say" method of reading resulted in large numbers of students being unable to read. Their methods exposed by the book, "Why Johnny Can't Read," the educators are reluctantly turning to phonics.

In 1965, during this period of soaring costs and declining quality in education, a significant event took place: the enactment of the Elementary and Second-

ary Education Act—ESEA. President Lyndon Johnson, in signing ESEA on April 11, 1965, said that no measure he had "signed, or ever will sign, means more to the future of America." This may be true; but not, unfortunately, in the sense apparently meant by President Johnson.

ESEA was part of President Johnson's Great Society. It created compensatory educational programs for the educationally disadvantaged—title I—but, all the rhetoric about improving education to the contrary, it was then and is now nothing but a poverty program which attempts to redistribute income, or wealth if you prefer! For example, the formula for distributing funds is based on income level, not educational level. Thus the Federal educators, in attempting to determine how well Johnny can read, simply ask Johnny how much money his father makes; Johnny's answer determines his reading level—his level of educational "advantage" or "disadvantage."

But much worse, ESEA marked the first major Federal involvement in education, setting up the means for complete Federal control of education in the United States. For instance, ESEA grants power to the U.S. Commissioner of Education to:

Distribute funds for "disadvantaged" children to State and local education agencies, provided such agencies comply with the requirements of the central government;

Distribute moneys to State and local agencies for the purchase of library materials and textbooks;

Distribute moneys to those State and local agencies complying with Federal regulations for the purposes of counseling, testing, and experimenting on schoolchildren and other "innovations";

Distribute funds to State departments of education for the purposes of consolidating and extending the State agencies' control within the respective States;

Since its inception in 1965, over \$13 billion have been appropriated and spent under ESEA. The result? Utter Failure?

In a March 1972 evaluation of ESEA title I conducted by the American Institute for Research, it was reported that:

Participants [in federal educational program] gained less during the period of instruction than nonparticipants and consequently fell further behind their non-participating [i.e., non-federally funded] peers and national norms.

The following table from the A.I.R. report dealing with reading skills demonstrates that participants in the Federal program actually recorded a negative gain.

Table 7.4 presents the analyses of gain scores of nonparticipants, participants in one program, and participants in more than one special reading program for disadvantaged pupils. Results are presented separately for each grade level and each achievement test. In this subsample, nonparticipants made larger gains than participants; in fact, both participant groups tended to lose ground while nonparticipants gained ground.

The table follows:

TABLE 7.4.—AVERAGE READING RESIDUAL GAIN SCORES IN MONTHS FOR PARTICIPANTS AND NONPARTICIPANTS IN ACADEMIC COMPENSATORY PROGRAMS<sup>1</sup>

Test <sup>2</sup>	Nonparticipants		Participants in 1 program		Participants in 2 or more programs	
	N	Gain	N	Gain	N	Gain
<b>Grade 2:</b>						
MAT	916	0.47	155	-2.03	42	-2.68
SAT	803	.72	227	-2.34	62	-.73
<b>Grade 4:</b>						
MAT	1,245	.40	318	-1.51	58	-.20
ITBS	826	.46	178	-1.09	32	-5.66
<b>Grade 6:</b>						
MAT	885	.29	141	-1.61	21	-1.46
ITBS	920	.43	151	-2.08	14	-5.80
SAT	645	.12	104	-.60	13	-1.15

<sup>1</sup> Glass, 1970<sup>2</sup> MAT—Metropolitan achievement test; SAT—Stanford achievement test; ITBS—Iowa tests of basic skills.

The relationships between residual gain scores and 14 biographical variables were examined, but contrary to the fiscal year 1968 survey, nothing significant was found. That is, there was no evidence that students with particular background characteristics gained more or less as a result of participation in compensatory reading programs.

To those who would argue that participants were better off than they would have been had they not received Federal "aid," the report says:

No evidence could be found at the national level to support that hypothesis. Furthermore, five of the six reports that presented empirical evidence to support their conclusion found no positive relationship between Title I project expenditures and cognitive benefits.

In light of all this, one would expect those concerned with education to, at the very least, question Federal involvement in education in general and ESEA in particular. So what is our House Committee on Education and Labor doing? They are presently marking up a bill, H.R. 69, to extend ESEA for another 5 years.

Are the members of the committee aware of the public disenchantment with public education? Are they aware of the failure of ESEA? Are they concerned with Federal control of education? If they are, they are keeping it a secret. Instead of debating or discussing these fundamental issues they are constantly demanding higher funding levels and are bitterly fighting over the formulas, that is the distribution of funds, through which States and congressional districts should get more or less.

Meanwhile, the vital issues of the future of education in America, such as the diminishing quality of education under Federal programs, the ominous increase in Federal control of education and our ever-increasing national debt are totally ignored.

Because I cannot support H.R. 69, I am introducing today my own bill to phase out Federal aid to education authorized by ESEA. My bill, the Freer Schools Act of 1973, provides for the following:

Extends title I for 4 years, fiscal 1974-77, but phases out this title by reducing the funding authority 25 percent each year;

Extends title III for 2 years, fiscal 1974-75, and phases out title III by re-

ducing the funding authority by 50 percent in 1975;

Restricts title I programs to basic cognitive skills, particularly reading and math;

Restricts title III programs to cognitive development, as opposed to social development or behavior modification;

Asserts moral and legal rights of parents with respect to the development of their children;

Requires parental permission for participation in experimental programs;

Prohibits the use of such psychotherapy techniques as group therapy or sensitivity training; and

Prohibits the requirement of school employees to join any organization or teacher's union.

My bill makes no provision for the remaining titles and programs of ESEA. All of these have an automatic 1-year extension, and thus will not expire until June 30, 1974. Some of these—title II—library services—title V—aid to State departments of education—and title VIII—drop-out prevention, nutrition and health—are scheduled for termination by the Nixon administration, which provided no funding for them in the fiscal 1974 budget. Other programs dealing with such things as education of the handicapped should be consolidated and dealt with in a separate bill.

I have chosen to submit my own proposal to Congress for a number of reasons. First, Federal aid to education in any form is unconstitutional. This forms one of the bases on which I must reject all other proposals for Federal aid to education. Nowhere in the Constitution is the Central Government granted the authority by the States to intervene in any way in education. In two areas which may be broadly considered educational, the Central Government is expressly denied authority to intrude; namely, in the areas of religion and the press. Furthermore, the 10th amendment expressly states that powers not delegated to the Central Government nor prohibited to the States "are reserved to the States respectively, or to the people." One must conclude that education is regarded by the Constitution as a purely State and/or private matter.

Second, the 8-year history of Federal aid to education is a sorry one indeed, as was shown by the research reports cited above.

Third, Federal aid is an inherently wasteful means of funding education. The Federal Government first takes the money from the people, and then passes it on to the States and localities—minus, of course, a handling and processing fee for the tax collectors and the bureaucrats. The States and localities then spend the money, presumably, on education, but only after paying the extra administrators it was necessary to hire to process all the Federal forms. How much of the funding is absorbed by the bureaucracy and how much actually filters down to be spent on education may be impossible to calculate exactly. I can, however, speak with certainty about the cost of administration on the local level: one school corporation in my district will receive \$14,000 this year in title I funds, \$7,000 of

which will be spent for administering the various Federal forms. School teachers, whose profession is one of the lowest paid, should take note of this—Federal aid enriches the bureaucracy, soaking up funds that could mean higher salaries and better education.

Finally—and most important of all—Federal aid to education necessarily includes Federal control of education. If the Federal Government takes money from the people for the purpose of education, then the Government has the responsibility to see that it is in fact spent on education. This necessitates granting power to Federal commissioners and the promulgation of various regulations and controls, as we have seen embodied in ESEA. While the Federal Government cannot—as yet—actually require schools to follow their dictates, as the Federal share of funding gets greater and greater it amounts to the same thing. Schools either follow Federal dictates or they lose their funds; and if they lose their funds they will have no place to turn since Federal taxes will have dried-up most local sources of revenue.

I might add that the administration's proposed revenue sharing for education, which they have now abandoned, would not help matters in regard to Federal control—it would merely replace the control by Congress inherent in categorical programs with control by departments of the executive branch of the Central Government.

Thus if we continue down the road of extending and increasing Federal aid to education, total central control of education is inevitable. Sooner or later we will have a centralized, standardized, uniform national school system. Only a full-fledged Communist or Fascist would advocate a government monopoly on education. And yet that is what we are, in fact, approaching.

I realize that my proposal will be fiercely attacked by some segments of the educational establishment. But, in light of the failure of these Federal programs, it is time to ask those critics: are you concerned with quality education or merely with receiving "free" Government money? The question of "conflict of interest" is raised in regard to public officials who have connections with private sources of income. The same question should apply to a bureaucrat whose source of income is a government job, when he opposes a program that threatens the source of his income.

The educational establishment contends that their goal is to provide quality education, not to control the intellectual life of our country. Let us take them at their word and hold them to it.

I plan to offer my bill, at the appropriate times, as a substitute to H.R. 69 both in committee and on the House floor. It will offer Members of Congress, for the first time in many years, a clear choice regarding the future of education in America: a choice between freer, decentralized schools which just might provide better education; or more controlled more expensive and more centralization of schools which will most likely perpetuate some sorry failures we see today and in the past.

Mr. BLACKBURN. Mr. Speaker, I am indeed pleased to participate today in this detailed discussion of the problems of modern elementary and secondary education with which we must concern ourselves because of the Federal Government's close involvement with the schools. The question of whether the Federal Government should be involved in all these matters is one which I cannot pursue at the moment, although I hope that at some future time it can be thoughtfully discussed as well. The fact is that for the time being the Federal Government has become heavily entangled in the education of the young, and therefore we in the Congress have a responsibility to examine closely what is being done in the schools with the money we provide. Many of our citizens at the local level do not like what is being done under the guise of "education." Many of us would not care for it either if we knew more about it.

Let me deal with one relatively small facet of the fashionable approach to education these days. I have in mind the concept of the elementary and secondary teacher as a "change agent." This notion is endemic in the thinking of educators today, including those who enjoy generous support from the Federal educational bureaucracy. I shall content myself with one small quotation from the 1968 study by Bruce R. Joyce of Columbia University Teachers College, entitled the "Teacher-Innovator" and supported by a contract from the U.S. Office of Education. Of course the Office of Education disclaims responsibility for the author's conclusions, but the idea of the teacher as innovator central to this study is one very much in favor with the Federal establishment. Consequently this may be taken as a typical expression of educationist opinion. "The development of this model [of the teacher-innovator]," Mr. Joyce writes in his study, "is to prepare a teacher who will be an evolutionary in the schools of today. He will be developing a new education even while he executes the old. Several developments make this necessary, this commitment to change, even if it were not the product of analysis and ideology."

Mr. Speaker, I might comment to begin with that an "evolutionary," as Mr. Joyce calls him, is less likely than a revolutionary to "execute the old," but we shall let that pass. Whether he be evolutionary or revolutionary, the teacher is expected to espouse a commitment to change as the guiding principle of his life. Let us think a little about what this means.

Generally speaking, I believe, a person committed to change under all circumstances believes that the existing order is entirely worthless, for otherwise he would not wish to alter it wholly. It is for this reason that "change-agents" are constantly using the rhetoric of crisis when they speak of the current state of affairs in this country: everything is in crisis, from gasoline supplies to food prices, through the environment, population growth and the education of our children, to the danger of utter destruction of all life on earth by nuclear holocaust. The famed Harvard Psychologist

B. F. Skinner uses this as the quite unargued premise for his conclusion, in "Beyond Freedom and Dignity," that we must accept drastic changes in our concepts of freedom and dignity if we are to escape total destruction. In like manner, teachers who consider themselves pure "change-agents" must believe that the current state of education and society is entirely unsatisfactory, and stands in need of drastic and thorough change. Now I believe that the vast majority of the American public—at least to the extent that it is not propagandized by the mass media, which are more part of the problem than the solution—rejects the idea that our society is in a condition of utter crisis. Only history will tell us whether we really are, but most people believe we are not, and if we are, it will probably be of a quite different sort than the sort the mass media tells us about with such obsessive enthusiasm. Yet, of course, this same American public is being asked to subsidize people who believe in change as the highest good.

What are we to make of the educationists' commitment to change. The eminent sociologist Robert Nisbet in his book of 1969, "Social Change and History," challenges the assumption of many intellectuals that change is the chief characteristic of all things: Change is, however, not "natural," not "normal," much less ubiquitous and constant. Fixity is—in the realm of simple observation and commonsense, nothing is more obvious than the conservative bent of human behavior the manifest desire to preserve, hold, fix, and keep stable.

In the past, I might note, the assumption was that something which had stood the test of time was more likely to be correct than not, that the burden of proof lay upon the advocate of change. If it is not necessary to change, the saying went, it is necessary not to change. We would probably call a person who was so different every day as to be unrecognizable, demented or mad. We recognize a friend after 20 years separation because of what is the same in him, not what is different. It is this which enables us to keep our moorings. I would hazard the guess that the confusion and dislocation which besets our society today is in large measure the result of unnecessary and too rapid change, modification and tinkering pursued for their own sakes. Students who enter the university to follow a particular course of study may by the end of their 4 years find the curriculum and requirements altered out of all recognition. This can only be disorienting and unsettling. But such change in education is the result of artificial inducements and commitments, the result of an ideological thrust of which Mr. Joyce spoke.

No, Mr. Speaker, the idea of the teacher as an agent of unrelenting change now promoted by the education establishment and supported by Federal dollars, is destructive and harmful. It would be better to spend nothing at all on education than to allocate funds for the support of such "change-agents." In a sensible society we must have teachers dedicated to reasonable and sensible change: not teachers who cling rigidly to what

they know, but also not teachers committed to the idea of change and innovation simply for the sake of change and innovation. But we must recognize, with Professor Nisbet, that the principle of continuing is more important than the principle of change, although both must coexist in a healthy society. Today's teachers in increasing numbers reject that formulation.

I might add, however, that this dedication to change is a devotion to change in certain directions, in many cases. If Members of Congress propose a change in the direction of Federal funding so as to reduce or eliminate it, if we propose increased funding to develop improved methods of teaching the basic intellectual skills, I dare say we shall find the "change-agents" highly alarmed and suddenly as conservative as anyone. Change in that direction they do not want. In like manner, when teachers seek, by legitimate or illegitimate methods, to change the behavior or values of their pupils, it is usually in certain directions, and away from the values of the community and the family. This makes the teachers as "change-agents" even more alarming, and explains why parents are so upset over the state of their schools. It also explains why we must examine very carefully the educational philosophies of the educationists if we are asked to place the coercive power of the state behind their efforts. Otherwise we shall be more than derelict in our duties to our constituents.

Mr. BEARD. Mr. Speaker, it does not take long for a new Congressman in Washington to realize the importance of poverty to the continued existence of massive Federal programs aimed at its elimination. Each new administration unveils its own new approaches to the problems of poverty leaving in their wake the old, discredited wrecks of the past.

An element each of these programs share is the ability to consume enormous sums of money drained from the taxpayer's pocketbook. All too often, these "dollar swallowing" programs result in unfulfilled expectations and a decrease in the faith Americans have for their Government's ability to solve problems. This does not mean we should not attempt to address the issue of poverty. It is to say that serious structural problems exist in our poverty and education programs which must be addressed if we are to make any gains in the fight to deal with poverty and deprivation within our society. Chief among these structural defects is what may be termed "negative incentive."

The "negative incentive" may be observed most clearly in a poverty program. Let us assume that Congress has made a certain amount of money available nationally to alleviate poverty. This money is allocated initially to the States according to the number of poor people in each State as shown by some set of population and income statistics. A poverty bureaucracy then comes into being, both in Washington and in each State, to administer these funds. This bureaucracy has a vested interest in the continuation of the poverty programs while its mandate is to eradicate it. If the poverty

programs are genuinely successful, the number of poor people in each State will decline, and individual States will be eligible for fewer Federal dollars. Thus, it is often in the interest of the poverty bureaucracy to see to it that poverty is redefined in such a way that the number of poor people in the State will not decline; indeed, it would be good for the poverty bureaucracy if the number of poor people actually increased.

The end result of this is that the Congress establishes a program to appropriate funds to eliminate poverty which has a built-in tendency to result in larger and larger numbers of people being declared "poor." The results of the program are the exact opposite, in a sense, of those originally intended. I say in a sense, because the poor will actually be helped to some extent by the programs, we can only hope, but the number of those defined as poor by the bureaucracy will increase under the "negative incentive" plan. In short, the poverty bureaucracy has a vested interest in seeing to it that the number of poor does not decrease.

By artificially linking poverty to educational achievement, the "negative incentive" has been applied in the field of education as well. In the debates within the House Education and Labor Committee on title I of the Elementary and Secondary Education Act, a title which provides more than \$1.5 billion for the assistance of educationally deprived children, some unexamined assumptions have been made. The first is that educationally deprived children are synonymous with economically deprived children, or, in other words, if a child is poor then he is necessarily badly educated. I believe this to be very far from the case, but let me return to the question in a moment.

Much of the debate in the committee has circled around the proper poverty formula to be used in allocating what are supposed to be educational funds under title I ESEA. The debate centers on whether the figures on family income should be set at, say, \$2,000 or \$4,000, and then the statistics derived from this are used as the basis for allocation. Others have argued that the statistics for aid to families with dependent children would yield a more reliable figure for poor children who would stand in need of remedial education; still others have urged a closer look at the so-called Orshansky formula, possibly since the Orshansky formula shows an increase in the numbers of the poor in recent date rather than a decrease. The assumption is clear that poverty programs cannot result in a decrease in the number of poor people. Thus, if the equation between the educationally deprived and the economically deprived is allowed to stand, then, just as with the poverty programs, there will be a strong vested interest in seeing to it that educational deprivation is never overcome.

Mr. Speaker, within the House Education and Labor Committee, there have been attempts to make title I ESEA an educational title rather than a poverty title, rejecting that equation between poverty and educational deprivation. One

proposal here is to institute a program of nationwide educational testing, and then to award funds on the basis of low test scores, since these would be a truer index of educational deprivation. It is true that this approach would deal with title I as an educational program, but at the same time it, too, runs the risk of "negative incentive" as with the poverty programs. We must consider whether we would be creating a vested interest in seeing that students score as low as possible on the tests, since funds would be allocated on that basis. What stimulus would there be to improve educational achievement if this resulted in a loss of funds? So, it is possible that ESEA title I, instead of remedying educational deprivation, could have a powerful tendency to perpetuate it.

Mr. Speaker, this whole question of "negative incentive" is one that affects many, if not most, of our well-intentioned social programs, and not just poverty and education programs. I raise the issue not to discourage new efforts to improve Federal programs but in hopes that an awareness of it will better enable us to meet the challenge effectively.

Mr. DEL CLAWSON. Mr. Speaker, many of the participants in this discussion of the frailties and failures of the Elementary and Secondary Education Act of 1965 are dealing with harmful, damaging aspects of the schools which have been encouraged by funding primarily through title III of that act. To a large extent, this is as it should be, for many of the most alarming aspects of education in our day were encouraged by that title. At the same time, we must realize that title III is funded, and has been funded, at a much lower level all along that title I. For example, the Labor-HEW appropriations bill passed by this House on June 26, provided slightly over \$146 million for title III, but \$1.8 billion for title I. That sum is a rather large one and the purposes for which it is to be spent should not go unexamined.

Mr. Speaker, I realize that this is a question many Members of the Congress would prefer to avoid. The educational lobby is very powerful throughout the entire country. It reaches into every congressional district in the Nation and has been made even larger in recent years by the expenditure of billions of tax dollars through such legislation as title I ESEA. As a result there is an immense vested interest which does not desire close examination of title I funds and what they have or have not accomplished. Lately many insertions have appeared in the CONGRESSIONAL RECORD from school administrators and other educators who testify with great fervor to the importance of title I, which was designed to improve the lot of educationally disadvantaged children at tremendous public expense. Those who try to discuss such educational questions seriously are frequently accused of being "enemies of education" and "enemies of children." This is just not true. The interest lies in seeing that children receive quality education at a cost sufficient to do the best job efficiently. Title I fails on both these counts, and especially on the second count.

Criticizing title I from the outside is the more difficult because the title combines two things with wide political appeal: Education, which is invariably considered good in all forms to be encouraged; and poverty, which is considered a bad thing to be eliminated. People who have not examined the problem think that for \$1.8 billion per year we must be greatly encouraging education and considerably alleviating poverty, at least in the sphere of the schools. In fact, a strong case can be made that title I overall has brought about very little improvement in education and has financially enriched primarily the educational bureaucracy and the manufacturers of mechanical teaching aids.

Perhaps the best witness I could call to support my case is John F. Hughes, who from 1956 to 1969 directed the title I program at the U.S. Office of Education. In 1972, he coauthored a book entitled "Equal Education: A New National Strategy," in which he spoke quite candidly about the failures of title I during the time when he was the person most directly responsible for administering it. Let me note that Mr. Hughes ends by prescribing more and tighter Federal controls for education—a position which I reject—but this does not prevent him from evaluating the shortcomings of title I.

It seems that when the Office of Education first received the bonanza of title I funds, it did not quite know what to do with it. In any case, it did manage to settle upon some guidelines for programs, which Mr. Hughes summarizes as: "limited pupil participation, strict project area definition, careful project design and approval, and concentration of services on schools having the highest numbers of poor children."

Whatever one thinks of Federal guidelines in education, these did represent a serious attempt to adhere to the intent of the original legislation. What happened? At a meeting in November of 1965 these guidelines were largely diluted as "an effort at undue Federal control and as being inconsistent with earlier USOE positions," after which title I ended up largely as simply general aid to the schools, to be used for educationally deprived children or not, as the localities saw fit. This was only a partial counter-attack, though, on behalf of local control, because, as Mr. Hughes notes, "until ESEA, Federal education acts had never challenged the authority and responsibility of the States for public education." Some 3 years later, however, the Federal policies were strengthened and the financial controls at the State level were tightened. Before they had been very loose, and title I funds were being spent for all sorts of things entirely unrelated to educationally deprived children.

The main point I would like to make, Mr. Speaker, is that the educational experts really had no idea what to do with sums of money in the range of \$1.5 billion annually in order to improve the education of the culturally deprived. I am told that at the hearings before ESEA was adopted, the late Senator Robert

Kennedy raised one very central and very pertinent question. He asked:

How would we know in two or three years' time whether the Title I programs had in fact achieved their objectives?

The educational experts had no satisfactory answer, and even seemed to have regarded the question itself as improper. It was far from improper. The answer is that it is difficult indeed to find out whether the achievement of educationally deprived children has been raised. Moreover, it seems the educational experts do not want even to try to find out, probably because they suspect what they will find. Mr. Hughes admits that measurement and accountability are difficult to apply to this program. He writes:

While difficult to measure the effects of such education-related services in terms of improved academic performance—and, indeed none of the evaluations of Title I have taken on this sticky task—there is little doubt but that such services increase the probabilities of youngsters being able to learn.

Mr. Speaker, that is a rather remarkable statement. We cannot evaluate the results of the program, but we can be sure that the expenditures of \$1.5 billion per year will "increase the probabilities of youngsters being able to learn." That is a very large sum to pay for such vague assurances.

Mr. Hughes delivers a sad verdict indeed on the title I program which he headed for 4 years after its inception in well-meaning legislation passed by this Congress. He puts it this way:

What Title I brought out of the shadows was that when the schools were challenged to educate the poor, they had little to offer. . . . A painful first revelation was the discovery that the schools did not really know how to go about the business of educating the poor.

Apparently, the Congress felt that if it allocated \$1.5 billion per year to the education of the poor, the poor would be educated. Unhappily, in real life things do not work out so neatly. If you have no one who knows how to do the job, it is a monstrous waste to allocate sums of money to a project. We often hear people say: If we can put men on the moon, why can we not clear away the slums, educate our children, and so forth? The answer is that we know how to put a man on the moon, and therefore it made sense to allocate money to that project. Apparently we do not know how to permanently eliminate slums, or educate our children infallibly, at least not yet—and so it makes little sense indeed to spend vast sums of money on useless or harmful projects; we might be better advised to proceed slowly. Title I ESEA has probably not been positively harmful, as title III has been, but it has failed to measure up to expectations. Small, experimental projects for a fraction of the present cost might better serve the purpose.

Mrs. HOLT. Mr. Speaker, it is with great sadness that I look upon the schools today, the institutions which, in Mathew Arnold's words, were meant to pass on "the best that has been thought and said in the world." Lowered achievement among schoolchildren attests to the fact that the schools' focus is somewhere other than on the basic skills. An abomi-

nable infamiliarity among young people with the nature of our cultural heritage shows that the schools are engaged in something other than the transmittal of the wisdom of the past.

In an obsession with "relevance" and the modern fads of today, the schools are disregarding the important lessons we can learn from the past. This distorted emphasis on the importance of the present permeates federally funded education programs such as an experience with the new humanities, an "innovative" project funded under title III of the Elementary and Secondary Education Act in use in Billerica, Mass.

This project is described in an abstract which relates how teaching of the renaissance and other historic periods was abolished in favor of teaching the relationship between the different arts "with the urgency of what's happening now." This includes the use of "student/teacher rap sessions" and "student problem-oriented projects." The entire project has "replaced geography in the school curriculum."

This project typifies the anti-intellectual atmosphere in the schools and their self-appointed role as "problem solvers." Instead of concentrating on teaching the basic skills and the facts of history the schools are entering realms, which were previously considered only within the framework of the home, the church, or the family doctor. Education journals now often refer to the teacher as a "learning clinician" and the schools are "learning clinics." Spokesmen for education associations speak not of what the schools should teach but of "what kind of people we will produce."

Indicative of this movement away from the teaching of subject matter and into the realm of feeling and sensing is the 1969 Report of the Joint Commission on Mental Health of Children, which took place under the auspices of the Federal Government. The report states:

Schools originally were intent on the development of the mind as a primary mission. The body and spirit were the responsibility of the home and the church. As the home and the church decline in influence, the schools are required to assume more responsibility for the education of the whole child. Schools must begin to provide adequately for the emotional and moral development of children as well as their development in thinking. The school as a major socializing agency in the community must assume a direct responsibility for the attitudes and values of child development. The child advocate, psychologist, social technician and medical technician should all reach aggressively into the community, send workers out to children's homes, recreational facilities and schools.

Thus, the educationists are preparing to assault not only the individual psyche of each child, but their plans include a large scale usurpation of what we used to consider parents' rights. The fact that the schools have ambitions that include much more than the child's intellectual growth is revealed by a statement of the National Education Association, which appeared in the NEA booklet "Schools for the 70's." The NEA states:

In addition to purely intellectual growth, the curriculum should regard emotions, attitudes, ideals, ambitions, and values as

legitimate areas of concern for the educational process, and should emphasize the student's need to develop a sense of respect for self and others.

The school has always been concerned with molding the values and attitudes of good citizens up to a certain point, but this aspect of school has always been secondary to the teaching of what educator Jonathon Kozol calls the "survival skills." Today we have rearranged our priorities so radically that we view such elusive abstractions as intergroup relationships, self-esteem, and general happiness and not the basic skills as the primary goal of the schools.

I recently read of an "open classroom" experiment in Louisiana, which received several million dollars in Federal funds, where much emphasis was placed on the children's comfort, pleasure, and happiness. The goal of the project seemed to be merely to make school a "fun" place rather than improving learning skills.

Now, I am all for comfortable surroundings in the classroom and a pleasant atmosphere but I don't think this should be our number one priority. Nor should we emphasize human relations at the expense of the basic skills. I don't think the schoolchildren of this Nation will thank us for depriving them of that much more profound pleasure, the pleasure of knowing a subject well as a result of a little hard, sometimes tedious, work. They will be indeed ungrateful to us for all the fun they had in school if, at age 18, the products of our schools find themselves too ill-prepared educationally to cope with the rigors of college.

As the eminent scholar, James Koerner, says so well in his book "The Miseducation of American Teachers":

Let us do everything we can to facilitate the learning process, but let the "learning" remain in it. Let us not confuse, as so much of progressivism did, the pleasant with the important, the temporary with the permanent, or the "broad primrose path" which in Whitehead's words "leads to a nasty place" with the long and rocky road to genuine education.

Parents across the Nation are complaining that their children are not learning American history and that what is taught is negative because it teaches children to question the events of history. In social studies courses the "inquiry method," which uses open ended discussions and frowns on absolutes, is used to approach such events as the War of Independence. Using this method George Washington might be viewed not as an hero and patriot, but as a traitor to the English crown. As a result children do not grow up with a certainty about their heritage, but develop instead a cynical, questioning attitude that can foster the self-doubting attitude many Americans have about America today.

Moral and cultural relativism are part of the curriculum today. An example is the social studies curriculum known as "Man: A Course of Study," which was developed and is disseminated with Federal funds. This course replaces history and geography with a behavioral science oriented comparison between the Netsilik Eskimo, a baboon troop, herring salmon and seagulls. The course includes the discussion of infanticide, cannibal-

ism, and senilicide, accomplished not by a denunciation of such practices, but by an explanation that this is acceptable behavior in the Netsilik culture. The customs of a primitive, stone age culture are viewed as equally valuable as those of western civilization. The teachers guide explains that students are not tested for factual knowledge, but for attitudes learned. In the behavioral approach to life there are no right and wrong answers, because everything is relative.

The psychologist Erich Fromm has stated that by regarding all truth as relative we are discouraging original thinking. "Truth is made out to be a metaphysical concept, and if anyone speaks about wanting to discover the truth he is thought backward by the 'progressive' thinkers of our age. Truth is declared to be an entirely subjective matter, almost a matter of taste," states Fromm and adds that "thinking loses its essential stimulus" as a result of relativism.

The use of relativism in curricula is widespread and much of it is federally funded. "ALERT: A Sourcebook of Elementary Curricula Programs and Projects" lists federally funded curricula including 11 "affective education/personal development" projects.

Among these are the schools without failure seminars, which are based on the "reality therapy" of Dr. William Glasser and are described as "a classroom method that involves students in decisions about their own learning and instills a feeling of 'worthwhileness'." A project goal is to "remove failure" from the school. "In order to prevent failure children must be taught to tolerate uncertainty and we have to let students know there are no right answers and we have to let them see that there are many alternatives to certainty and right answers," states the curriculum abstract.

The only way to totally free children from the dangers of failure is to demand nothing of them. Only when we decide that Western civilization is not worth preserving can we accept that concept. We must ask ourselves are we ready to throw away the civilization that it has taken so many centuries to achieve in favor of the ubiquitous monster of relevance? In favor of unproven social theories of behavioral scientists? In favor of the abyss of barbarism that awaits man once the thin thread of civilization is forever ruptured? To quote Dr. Koerner again:

Whatever our attitude toward the ultimate questions that have always confronted mankind, whether we believe man to be a divinely inspired creature or merely a cosmic accident we have no choice but to assume that Western civilization is good, at least more good than bad; and that whatever hopes we have for the future will have to be realized through the continuation and improvement of that civilization, building on all that has gone before.

It is because I concur with Dr. Koerner on the virtues of Western civilization that I am fearful of the damage the schools may wreak if they continue to ignore true learning in favor of behavioral science, relevance and relativism. Once the schools begin to be viewed as tools for social change, we must begin

to ask "what kind of social change?" lest they become instruments for the demise of Western civilization. Among the more pessimistic thinkers of great perception is Malcolm Muggeridge, who assails the schools for their assault on traditional values, particularly religious ones. In his book "Jesus Rediscovered" Muggeridge states:

A future historian is likely to decide that the most powerful instrument of all in bringing about the erosion of our civilization was none other than the public education system set up with such high hopes and at so great expense precisely to sustain it.

If we are to rescue our children from mediocrity we must abolish the programs that use them as guinea pigs for social experimentation, while neglecting to nourish their minds. We must clear the schools of constant assault on culture, intellect and tradition, lest we drown in the mire of relevance and psychological education.

We should be teaching our children a body of knowledge comprised of what T. S. Eliot called "the permanent things" and not the faddish social theories that are doomed to be replaced by equally short-lived ideas. If we do not want to bring up vague-minded robots that march to the tune of the drummer of the day instead of to the heartbeat of the universe, we must save the schools before they move further in the direction they are taking. We must return to quality education before it is too late.

Mr. ASHBROOK. Mr. Speaker, it is high time for the Congress to begin serious consideration of the sorts of educational philosophies now being supported by massive Federal funding, including substantial funding under title III of the Elementary and Secondary Education Act of 1965, the one we are now being asked to extend for many more years. Even those who are not experts in education are aware in a general way that all is far from well with our schools. The recipients of Federal funding who want still more and who have been responsible for what has gone on in the schools over the last few years will say, of course, that this is because not enough money has been allotted to education and that the solution is to spend more. They have a vested interest in that, and we should hear their arguments with a certain amount of scepticism. We who do not have a vested interest in education, on the other hand, should consider whether the problems of education do not arise from too much money being spent for the wrong things. From 1960 to 1970, the expenditure per pupil on elementary and secondary education more than doubled from \$375 to \$783, and all educational expenditure over that same decade rose by about 50 percent, from 5.1 percent of the gross national product in 1960 to 7.6 percent in 1970. Yet despite this massive expenditure, few would claim that American education in 1970 was better than in 1960, and very many people would say that it was substantially worse. Consequently, it is necessary for us to stop and take a close look at what the educators are doing with the dollars Congress so generously appropriates.

Most of our educational difficulties,

including those stemming from title III of ESEA, arise from the conception the educational establishment has of its function. Educators nowadays see themselves as concerned with the "whole child," in other words, as responsible not only for learning in the intellectual sense but also for children's emotional and social development. Educators see the school as the institution in society which will become all-encompassing, which will replace the old school which saw only to a child's intellectual development; the church, which was charged with inculcating moral values; and even the family, which had the burden of seeing to the child's emotional development in large measure. The school, if the educators had their way, is to be entrusted with the task of tending to the good of the child from virtually the beginning until he enters adult life.

The new educationists see a conflict between the family with its values and the school. They consider the child "damaged" or "harmed" by its contact with the family and seek to remove it into the arms of experts for as long a period as possible during the day so that they may attend to its "emotional development." Dr. Joseph P. Bean, formerly clerk of the school board in Glendale, Calif., has summarized class meetings of a certain type as follows:

The meeting acts first as a problem-solving group to strengthen the child's coping behavior. The class discusses any difficulty it wishes and *problems of the home are eligible for discussion*. The conclusions arrived at are to afford peer group control of behavior of the individual students. The teacher stresses that there are no right answers, no constant truths, and no constant principles. (This type of program) is 180° out of phase with the moral concepts of Western man, with the Biblical religions, both Jewish and Christian, and with most beliefs held by the mainstream of our society. Much of the literature refers to these class meetings as psychotherapy.

Dr. Bean quotes a California mother as having commented that "The students sit around in circles exchanging uninformed opinions." This may not be our idea of education, but it is that of the present-day educators. For them the important thing is not learning but the learning process, regardless of what is learned, if anything. From this point of view, swapping uninformed opinions is just as valuable, perhaps even more valuable, than learning something of the accumulated wisdom of civilization. What information is supplied the class is often the work of the instructor, who frequently does what he can to shield his charges from that "irrelevant" accumulated knowledge of the past.

Mr. Speaker, some may think that these doctrines are the product of isolated individuals with little influence. In fact, they are espoused by a great number of educators who are quite influential, indeed. Recently the Washington-based Council for Basic Education studied the winter 1973 issue of "Kaleidoscope," the official publication of the Massachusetts Department of Education, which in 1972 had disbursed some \$4.8 million, largely in Federal money, through title III ESEA. Here are some of the officially described projects:

In Danvers, the self-direction through group dynamics project provided "teaching awareness and coping with social learning" as well as "training in outdoor tasks and group discussion skills" at a total cost of \$105,000.

In Medford, the arts for intergroup relations education project provides for "intergroup-interpersonal relations and the visual and performing arts . . . (and) deals with five issues of concern with respect to children: prejudices, groups, emotions, conflict, and people change" at a cost of \$112,000.

In Billerica, a generously funded program emphasizes "the viewpoint of students within the urgency of what's happening now" at an annual cost of some \$93,000.

At the Springfield environmental center for our schools, the program treats children to "discovery hikes," teaches them "climbing skills," takes them through a "group exercise in survival," and includes an intellectually exciting picnic lunch, all for the bargain price of only \$140,600.

The entire funding for these programs does not come from title III funds, but the bulk of it does. It strikes me, Mr. Speaker, that at best we are perpetrating a gigantic hoax upon our children with such programs, and at worst, we are crippling them intellectually. If in fact the students are to be allowed to teach themselves, then why should we spend large sums of money on "professional educators?" If uninformed opinion is as good as knowledge, why should we bother building libraries and laboratories? Even worse, if educators are the divisive "change agents" they see themselves as being, engaged in setting child against parent and generation against generation, why should we feel obliged to support them with tax moneys? It is far past time to examine these programs and the assumptions of the educational establishment which engenders them, so as to insure that the voters of this country are not compelled, through the unwitting instrumentality of the Congress, to finance the undermining of all they believe in.

Mr. CONLAN. Mr. Speaker, I am most pleased to join in this special order to discuss the Federal role in education. I am acutely concerned that Federal funds have been used to support experimental projects in the classroom that serve to strip children of social and moral values shared by their families and taught at home.

As our schools cease to be conveyors of culture and academic skills in the traditional sense, they become more and more vulnerable to each passing fad of the day. In an unending quest for "relevance", they absorb and reflect what Russell Kirk calls the "passing pageant" of the day.

We find in these schools an "adjustment curriculum". The latest tools for promoting adjustment to the modern world and to all one's fellow men is sensitivity training. Also known as group dynamics, human relations training, small group discussions, encounter group, this method employs peer group pressure and emotionalism to effect some sort of change, either in thought or behavior.

Given the experimental nature of these

methods, I find their use in the schools highly disconcerting. Precious time which would be better spent on scholastic subjects is being used on these activities in the hope that the schools will somehow cure society's ills and any problem that the individual might have.

As a Utopian concept, it may prove, at best, to be a waste of time. At worst, however, the use of sensitivity training in the schools can have disastrous results.

A typical small group discussion may include an instructor and several children seated in a small circle. The instructor may select one child and ask him to tell all about his feelings for his parents.

"Why don't you like them? Why do you find your mother absurd?", the instructor may probe.

Emotions build up. A child may burst into tears as he "tells all." Excessive guilt can set in once the session is over. Privacy has certainly been invaded.

In another case, an instructor may point to one participant and single out another while asking the question, "What don't you like about him or her?"

A barrage of insults may follow. A destroyed relationship. Feelings of inadequacy on the part of the student criticized, and feelings of guilt in the critic.

Dr. Bruce Maliver, in his book "The Encounter Game," points to some of the tragic results of the group movement, including the suicide of a 24-year-old who attended Esalen Institute. Maliver's main criticism is that group leaders are only marginally trained and thus not equipped to deal with emotional disorders that surface in a group session.

Teachers who conduct the probing "rap" or contact sessions in the classroom are likely to be equipped with no more understanding of the dangers of sensitivity training than what was offered them in a single workshop. The use of such methods, even in the hands of professionals, as we have seen, is a dangerous proposition.

In their book "Encounter Groups: First Facts," Drs. Morton Lieberman, Irvin Yalom, and Mathew Miles describe a conclusive study of group strategies. They found that one-third of participants gained absolutely nothing. Another third reaped "negative outcomes", while still others sustained "significant psychological injury."

Dr. Joseph T. English stated in the December 1969 issue of the American Journal of Psychiatry that:

Today we are witnessing a proliferation of sensitivity training programs aimed at persons in educational, industrial, and community settings . . . Of primary concern to psychiatrists, many of whom have seen the casualties of insensitive sensitivity training programs and "trainers", should be the outright invasion of individual privacy such programs tend to promote.

The subjects of discussion in such groups are often highly controversial, and may include such subjects as lying, smoking, drug use, abortion, or shoplifting. The group consensus which emerges often conflicts with the values taught in the home, parents find.

As disturbing as I find these incursions into our children's mental health in the schools today, I must add that the prob-

lem could be solved by simply abolishing Federal programs that promote such activities. Secondly, if schools and school administrators and teachers were truly concerned with intellectual endeavor, there would not be a moment to waste on such practices.

I agree with Jacques Barzun, who has severely scored "the almost total lack of intellectual attachments among those who think they lead our schools." Barzun points out in his book, "The House of Intellect," that "the notion of helping a child has in the United States displaced that of teaching him. Anyone who tries to preserve the distinction is obviously unhelpful and is at once known as a declared enemy of youth. The truth is that even apart from its hostility to intellect, systematic coddling is as dangerous as it is impertinent."

Mr. Speaker, I strongly believe that the schools should concentrate on areas they have been asked to handle—that is, the development of the child's intellect. Let us underscore our insistence that we get back to teaching children to read, write, and count, rather than wasting precious hours on sensitivity training and other experimental forays into a student's psyche. Until schools stop graduating whole generations of children of whom many are functional illiterates, unable to compete successfully in the world of work, they have no business wandering into these other areas.

Mr. SYMMS. Mr. Speaker, the threat to an individual's privacy in the modern world is a growing problem that citizens face each day from employers, schools, and an ever-expanding government.

Schoolchildren as a captive audience are increasingly becoming victims of privacy invasions as the schools come to view their role as educators of the whole child, which means that teachers are delving into children's feelings, values, and thoughts.

The term "right to privacy" was first coined by Boston law partners Samuel Warren and Louis Brandeis in 1890. Since then we have come to view it as a right inherent in the Constitution, as we have come to accept as a natural human tendency, man's need for privacy.

Dean Roscoe Pound called this right in 1915 "the demand which the individual may make that his private, personal affairs shall not be laid bare to the world and be discussed by strangers."

Alan Westin in his book "Privacy and Freedom" sets down the right to privacy as something which is opposite to government surveillance and compulsory disclosure and considers it an innate part of a democratic society. Westin sees the strong desire to protect privacy as an inherent part of the American character. He states:

American personality with its stress on unique personality in religion, politics and law provides a major force for privacy in the United States. This attitude is derived from such factors in American national experience as frontier life, freedom from the feudal heritage of fixed class lines, the Protestant religious base of the nation, its private property system and the English legal heritage.

Yet, many innovative school programs geared to social change, violate precisely

this right. Dr. Florence Lewis, a psychiatrist in California, spoke before a convention last year and stated:

To me nothing is more reprehensible than the public school's intrusion upon the child's private and personal emotional life. If the police were to crash into our homes without proper search warrants there would be an outcry from many sources, but there are a pitifully small number of voices protesting the state's entrance into a child's private thoughts and feelings. Yet, the public school system is an arm of the state and attendance is compulsory and often without choice.

Dr. Lewis cites the use of written sentence completion tests in California schools. Children are asked to complete the following:

My mother—My father—I hate—I love—I feel—Fellows at school like a girl who—The worst thing about me is—Sex relations—

The fact that results of such questionnaires are frequently stored in children's folders for a variety of individuals to see—except of course the parents—makes the gleaning of such personal thoughts from minors particularly reprehensible. Unfortunately many of our federally funded education programs contain similar privacy invasive activities.

An example is Project CARE: Curriculum of Affect for Responsive Education, a project funded under title III of the Elementary and Secondary Education Act and in use in Montague, Mass. In this program children are asked introspective, privacy invading questions such as "Who am I?" "Do I count?" "To whom do I belong?" "How do I relate?" "Do I have control over what happens to me?"

In title III drug abuse education programs students are asked such questions as "Do you like your parents? Do they like you? Do they embrace you a lot?"

This manner of questioning schoolchildren constitutes a serious invasion of privacy and is all the more disturbing because the activity is directed toward defenseless schoolchildren who, for fear of low grades or suspension, feel compelled to "tell all." Often the privacy of the home and family members is invaded when children are thus compelled to "let it all out." Just as it is unethical for government bureaucracies to delve into the private thoughts, religious feelings, or sexual proclivities of government employees or, for that matter, of private citizens, so should these areas of private life remain off limits for school authorities.

Just as freedom is always taken away for a good reason, so school authorities argue the need for invading privacy on the grounds that children have "problems" and the school must solve them. Yet, these activities are not merely directed at problem children within the confines of the guidance counselor's office. They are applied to whole classrooms of healthy children and frequently include public disclosure. Such activities include group discussion, often called "rap sessions," and group dynamics, a form of sensitivity training.

The Council for Basic Education, a strong supporter of traditional educa-

tion, says the following about sensitivity training in the book "A Consumer's Guide to Educational Innovations":

It seems likely that schools have tended to adopt and adapt the jargon and the ritual of sensitivity training because of its present popularity. Much done in its name seems merely a part of the current pursuit of "relevance." The movement certainly reflects the current emphasis on the importance of the group, with even the most far-out programs that advocate the release of emotion and feeling ("letting it all out") doing so in the interests of group solidarity. Individuality and privacy are hardly popular watchwords at T-group sessions.

Those who advocate the use of such activities by untrained teachers fail to take into account the potential for dangerous consequences of too much self-disclosure before a group. Extreme guilt feelings can follow and personal relationships can be permanently impaired by too much truth telling.

According to Dr. Lewis:

Professionals in psychiatry and psychology are concerned about the self disclosure that comes too early in group therapy. The individual may divulge something about himself which the group members find abhorrent. The result can lead to alienation of the individual which may be permanently damaging. I doubt that teachers are in any position to handle all they hear in response to their questions.

Federally funded education programs that employ such activities do so either in the interest of curing behavioral problems or, on a bigger scale, society's problems. The danger of funding federally such psychological activities lies in the threat to individual freedom of any State ordered activity that includes focus on feelings, attitudes and values. Ironically, there is also a danger that these activities may lead to the shaping of an individual in the wrong direction so that following excessive invasion of his privacy he actually becomes a detrimental force in a democratic society. Myron Benton in his book "The Privacy Invaders" points out:

The end result of the free and easy approach to student privacy is easily predictable. Enduring intrusion through their entire scholastic history, young people are not likely to depart from their citadels of learning inspired to a lasting respect for other people's privacy. More likely they will simply join the ranks of those businessmen who have an exaggerated interest in their employees' and customers' private lives, or join the public payroll with a similar disregard for individual privacy as balanced against community needs.

I believe it is time that we looked into the substance of some of our education programs. If we are actually funding programs that violate children's right to privacy, if they are indeed guilt inducing and otherwise psychologically disturbing, if they are undermining the democratic system which we look to the public schools to uphold, then I think it is time for an investigation of Federal education programs.

Above all, it is time that we left the psychological arena in favor of a return to some basic education.

Mr. CRANE. Mr. Speaker, it may at first glance strike some as inappropriate for questions of the philosophy of ele-

mentary and secondary education in the United States to be discussed in detail on the floor of the House of Representatives, but such is the scope of Government intervention in all phases of our national life nowadays and we are forced to look at such questions with some care. I would like, in these remarks, to offer an overall comparison between what education used to mean in our Nation, and what it means now. Such a comparison will, I believe, make considerably clearer the direction in which we are moving.

First, let us recollect for a moment what education used to mean, even for Members of this House who are not so very old. The school has always played a central role in American life. Education for all, whether public or private, between certain ages—generally from about 6 to around 18—has been part of the accepted norm of American life. The teacher is an honored figure in America, and the word "education" is a term with such positive connotations in everyone's mind that one is hesitant to call it onto question. In the old days, in fact, there was little need to; for education occupied a definite and circumscribed place in our culture. Its task was to impart the basic intellectual skills of reading, writing, and arithmetic, to give students a grounding in the history of our civilization and the fundamentals of our political system and sometimes to provide vocational training for those who wished to pursue a vocation of some sort and become useful citizens. The school did not go much beyond this. The realm of religion and moral values was left to the churches, by and large, although the widespread custom of school prayer—now so long outlawed by the courts—emphasized the religious foundation of our country, just as the inscriptions on our coins and the invocations before the sessions of Congress do. The emotional training of the child was the primary responsibility of the family, and the family also, through local school boards which were close to the people and such organizations as the PTA, kept a fairly close watch on what the schools were doing—and could control them to a considerable degree. Then other facets of an individual's personal development occurred in an informal and unstructured way—in the 6 years before school began, over the long and lazy summer vacations, after one left school and entered what many often liked to call the real world. So the school was a central institution, but one which was circumscribed in its function, reflected local values and interests reasonably closely, and looked upon it as its task to train the young intellectually in the traditions of this country and its culture. As for Federal financing of education—why, that was virtually unheard of among the citizenry at large.

Mr. Speaker, everyone is aware that wrenching changes have occurred in our society over the last 10 or 12 years, and nowhere more so than in education. If we stop to consider what the vested interests of the educational establishment—and they are that, for education has become known as the growth industry of our period—have accompanied

and wish to accomplish in the future, we will scarcely be able to recognize the situation which now prevails.

First of all there is the matter of funding. Our national investment in education has increased astronomically over the last 12 years or so. According to the Comptroller General of the United States, Elmer Staats, writing in the magazine *Government Executive* for February 1973, the total investment in education from all sources nearly tripled from 1960 to 1972, from \$30 million to \$86 billion. Let us note in passing that an investment like that puts our military establishment in the shade. At the same time, Federal investment in education over the same period more than quadrupled, from \$3 billion to \$13 billion. The Office of Education in HEW alone was in charge of nearly \$6 billion in 1972. Moreover, we all know that he who pays the piper calls the tune, and Federal control has been swift to follow Federal financing. Mr. Staats would say this is not so, pointing out as he does in his article that "Federal control of education is specifically prohibited in many pieces of education legislation." However, just before that he has mentioned that the Federal Government allows State and local governments to use their funds "within the boundaries of Federal guidelines and regulations." The distinction between controls on the one hand and guidelines and regulations on the other seems highly tenuous to me. In any case, if the Federal Government is to invest vast sums of money in education, it must in fact assure itself that these sums are spent in a proper way.

What has been the result of this vastly increased spending? A severe decline in the inculcation of the traditional skills of reading, writing, and arithmetic and the intellectual disciplines, despite the incessant self-congratulation of the educationists, who assure all that the current generation is the best educated and brightest ever to appear on the American scene. The magazine *American Education* has found that now 1 out of every 4 11-year olds in the Nation cannot read at their grade level, and the State with the highest reading standards for high school graduation—California—asks only that children read at an eighth grade level.

Now after all this investment in manpower and plant, we surely ought to be able to do better than that. Perhaps the problem is that the educational establishment has redefined its mission in such a way that reading and writing are not nearly so important in its scheme of things any more. When we look at what the educationists say about their task, we see that this is precisely the case. Training in intellectual skills has not been completely abandoned, but it has been largely submerged in an attempt to make of the schools a comprehensive engine of social change. Let me explain what I mean in a bit more detail.

To begin with, the school has set out to become a primary social organism, competing with and displacing the church and the family. It sees itself as very much concerned with the student's

values, and feels that the traditional religious views inculcated by the churches must be uprooted. The elimination of school prayer in the public schools was merely a step in this process. Most educators are what is called "secular humanists" who deny any religious framework to our society and argue that man must be judged solely in his own terms. I do not have enough time to go into this in detail, but two quotations from a speech given by Prof. Melvin Tumin of Princeton before a meeting of the National Committee for the Support of the Public Schools in 1967 will give you some of the flavor of that approach:

I want every child to understand, Professor Tumin said, that what men value determines that value, namely that man is the value-investing creature who gives value and meaning to his behavior by that act of valuing.

And again:

Every child should understand that man is the effective agent of his own destiny; either by default or by activity, and that man shapes his own history and makes himself.

Man "makes himself," note. There can be no clearer statement than that of the value of the secular humanist. Man has no divine nature or supernatural calling: he is what he thinks he is and what he makes himself out to be. Man is the measure of all things. With that approach the element of supernatural religion in our culture is effectively jettisoned.

The schools have also begun to see themselves as concerned with the mental and emotional health of their charges, and in this area have infringed severely upon the rights of the family. Children are cut off from the wisdom of the past and instead use themselves as "educational resources." They endlessly discuss their own feelings and reactions to things and those of people around them. A wedge is driven between the child and his family by various methods, such as encouraging the children not to divulge what goes on in school to their parents and the use of questions and questionnaires which delve into the private and family affairs of the student.

Busing is a part of this strategy: it not only aids racial and socio-economic mixing which the educationists consider a good thing in itself, but it also removes the child that much longer from the embrace of family and neighborhood. Now attempts are being made through "educational" summer camps and the extension of the school year to whittle down the summer vacation when children are beyond the grasp of the school. Students are encouraged to lengthen their education, to continue on for higher education and graduate study, and we all know of the tremendous expansion of higher education over the last decade, which has brought perhaps more woes than joys. There is also a move on to extend the age of mandatory school entrance downward: for example, the "Master Plan for Public Education in Hawaii," published by the Hawaii Department of Education in 1969, called

for the following among many, many other things:

Conduct a comprehensive study of early education and determine the earliest feasible age for starting public education; examine value of lowering the present mandatory age provision of six years. . . . Study the value of extending the school year and school day.

In short, the thrust is to use the coercive power of the State as expressed in mandatory school attendance laws to remove the student to the greatest extent possible from influences other than the school.

One small example, Mr. Speaker, will show you how this sort of thing works. The Headstart program was devised in order to give educationally disadvantaged children the opportunity to get a running start upon their more fortunate fellows. Although some of the programs seemed successful, what testing could be done began to indicate that Headstart gains were ephemeral and soon disappeared after the student had begun regular school. The explanation of the educationists was that they had not had the children long enough. Thus, in December of 1967, Congress obligingly introduced the Follow Through program, to continue work with these disadvantaged students. Then when that program proceeded to give disappointing results, the educationists shifted their ground: Headstart was not working because the educationists could not get at the children early enough. The result of this was the Comprehensive Headstart, Child Development and Family Services Act of 1972, in its final form, which proposed to take children very much earlier from their families in order to correct the "damage" the families had done to them. Predecessor legislation was vetoed by President Nixon in December of 1971, but the Child Development Act of 1972 passed the Senate in 1972 by the appalling margin of 73 to 12, only to die in committee in the House. My point here, though, is that each time a new Federal program is instituted in the field of education, the administrators of that program will admit—or perhaps even hasten to admit—that the program has not achieved its objectives but will then add with great haste that the solution is even more extensive government intervention is long past time that we began to question the self-serving recommendations of the vested interests in education, and compel schools to retrench.

That will not be easy, of course. Mr. S. P. Marland, Jr., formerly Commissioner of Education under President Nixon, had revealing things to say about his concept of education in his report for 1971. He said in that report,

Education carries a staggering weight of expectation as the people ask the schools to become more involved in solving society's concrete problems. The schools in a sense are being asked to remake our society, as distinct from nurturing it—

He goes on:

We can, I believe, devise educational techniques that can crack the problems of the ghettos; we can bring satisfaction and enrichment to the lives of adults; we can help to fulfill the precious potential of the first five years of life.

Mr. Speaker, I submit that this last sentence from Commissioner Marland's report is astonishing. Not only does it assert that the schools, or some outgrowth of them, should work with adults probably until death, but they should also work with infants from birth. In a word, the schools should care for citizens from the cradle to the grave in some fashion and not just over the school-attending years from 6 to 18 or 22 or even 26. Not only do the schools lay claim to infants, schoolchildren, parents, and adults alike, but the schools will resolve all the political problems of our society. For that is what is behind the shorthand notation "solve the problems of the ghettos." In short, the schools now see themselves as all-encompassing instruments of social change—change, of course, in the directions favored by the educational establishment—which will be the next thing to revolutionary, although Commissioner Marland phrased it slightly more tamely when he wrote in his 1971 report that the political crises of our society "have impelled Americans who are concerned with the welfare of this country to take stock of what the schools offer and to begin to design changes that while short of all-out revolution are nonetheless profound and of far-reaching import."

Now if one has such a grandiose vision of education in this Nation—in effect, "revolution through education"—it is not very easy to accomplish your task if we still have local control of school districts. The fact is that effective control of education has been more and more centered in Washington, as those who have opposed busing without fully understanding the place it occupies in the educationist philosophy have discovered. The tremendous centralization of educational control in Washington has so far been accomplished with the Federal Government contributing only some 8 to 10 percent of the total cost of the educational bill. Commissioner Marland, while paying lip-service to the principle of local control, wrote in his 1971 report that "the Federal share should also be markedly enlarged." With a "marked enlargement" of the Federal contribution, the last vestiges of true local control would be eliminated and the "education revolution" could be centrally managed.

Mr. Speaker, I realize that the portrait of present-day American education which I have painted is a dark one, at least for those of us who uphold the traditional values of our society and reject the notion that they stand in need of prompt and drastic revision. Everything alive changes to some extent; the quarrels arise over the direction and rate of change. I am all in favor of change and experimentation if they will lead to better training in the intellectual skills and to a reasoned understanding of the values and traditions of our Nation. If education is to become, or has become, an instrument of political revolution—and please note that I have quoted very important and influential people, including a Princeton professor and a former U.S. Commissioner of Education—then the Congress of the United States has a solemn responsibility to see to it that

education is restored to its rightful and limited place in the National life—no less, but certainly no more. We cannot support a centralized educational system which lays claim to the citizen from the time he is born until he dies, which concerns itself with not only his intellectual development, but his emotional adjustment, mental health, behavior and physical well-being as well, supplants the family and the church as an inculcator of values along lines opposed by the majority of our citizenry, and takes as its primary task the nurture of far-reaching, almost revolutionary change outside the political process. For the schools have even drawn a bead upon our political institutions as well—some radical educationists look upon them as the last bastion of the old order which prevents the adoption of the new order they would force upon us. Let us have none of it.

Mr. HUBER. Mr. Speaker, I am pleased that in this discussion of the extension of the Elementary and Secondary Education Act of 1965, some Members of the Congress at last are making an effort to come to grips with fundamental problems in the education of our children, that education which the Federal Government is being asked to fund to an ever-increasing extent.

Thanks to the traditional American view of education as a "good thing," and thanks also to the efforts of the ever-expanding vested interests in the educational establishment, "education" and the way it is conducted have for too long been immune to criticism. Yet most citizens realize vaguely that something is not quite right with the educational establishment and the sort of training which it now insists on giving to our children. And, unpleasant though it may be, it is the duty of Congress to investigate these problems if it is to continue extracting money from the pockets of the taxpayers and transferring it to those of the educationists.

Mr. Speaker, those of us who conceive of education in the more traditional terms think that it is designed to inculcate in our children intellectual skills, such as reading, writing, and the ability to do arithmetic, and the acquiring of knowledge about the past and present. Therefore, when we read that after the investment of millions of dollars in "innovative" programs in education, our children read and write even worse than before, we conclude that such programs have failed, and rightly wonder why. In the same way, when we discover that busing has not produced the educational benefits which we were told to expect from it, in addition to the disruption of family and neighborhood which it has caused, we conclude that there is no justification for the expense and trouble to which we have gone in seeking racial integration through the schools. The population turns overwhelmingly against busing, only to boil with frustration when, despite its will expressed through its representatives in the Congress, busing goes right on. From the traditional point of view, they are quite right.

The problem is that the traditional view of education prevalent among the people no longer holds for the educa-

tional establishment which has seized control of the funds which the Congress so generously appropriates. Instead, the educational establishment seeks to change the social and political values of the children subjected by law to its ministrations, and is concerned only very little about inculcating intellectual skills. Teachers are now defined as "agents of social change" more than anything else, and the schools are to be used to effect a dramatic shift in our social values without the consent or knowledge of the voters as a whole. Thus, in the educationists' scheme of things, busing is not a means to achieving an education of higher quality in the traditional sense, but rather an integral part of a scheme to alter social values through the schools. When we take this view, then we see that busing is not a means to a desirable end, but rather an integral part of a package which the vast majority of American citizens would not buy if they realized what was in it. This is why, despite the uproar over busing, the buses continue to roll—because busing is not peripheral; it is central to the philosophy of the educationists, part of their design to achieve social mixing, which they consider desirable in itself, and to separate the children in their care to the greatest extent possible from local and family influence. This is why the battle over busing will not be won easily, and if it is won, the victory will be only part of the battle, a triumph on only one segment of a very long front. It would be disastrous, moreover, if we were to mistake victory on this particular issue for victory on the entire front.

Mr. Speaker, another reason for the inability of the localities to stop busing needs to be mentioned. That is the astonishing centralization of control in HEW which the educational establishment has been able to effect with the aid of massive Federal funding over the past few years. Most local school districts have in effect become administrative agents for Washington, and are left with precious little local autonomy, primarily because they have become addicted to Federal funding which is provided only if they comply with the stipulations of the central bureaucracy—and that includes busing. So when busing became an issue, the people suddenly discovered how little control they really exercised over something that touched their lives so immediately. That control had passed to Washington and was granted and sustained by us in the Congress. Therefore, it is up to us to set the situation aright, for ultimate control in these matters has passed into our hands, whether we like that fact or not.

Mr. Speaker, let us at least be conscious that busing is only one facet of a whole complex of an approach to education now being imposed upon an unwilling or unknowing population by the education establishment centered in the Department of Health, Education, and Welfare. Parents would be quite as opposed to many of the other facets of that approach as they are to busing, if only they knew about them or if they were as dramatic in their consequences as busing. It is good that the Congress is finally meet-

ing its responsibilities in bringing these questions out into the open.

Mr. KEMP. Mr. Speaker, the manner in which we are allocating Federal funds in the form of scholarships for the disadvantaged high school student is of grave concern to me. The educational opportunities program is a case in point. By giving more money to those with low grades—with the viewpoint that they have potential but need help—we are encouraging and funding inferiority rather than excellence.

The following article from the Buffalo Courier-Express brought home to me the devastating effect such programs are having on the ambitions, morale, and incentives of disadvantaged students. As one youngster interviewed points out, "the regulations say you have to be both poor and dumb, and it's hard to be both. We're all poor, so we work on being dumb."

This is nothing but negative incentive, a factor which has no place in education. It is certainly not something we should be fueling with Federal funds. The article, which I think explains this devastating phenomenon in an excellent fashion points out that "the students said they could get more money from the EOP programs than from the regular scholarships, so financially, it's more worthwhile to aim low academically."

This reminds me of the writings of the distinguished black economist and writer, Thomas Sowell, who sharply criticizes HEW guidelines in scholarship programs for the disadvantaged in his book, "Black Education: Myths and Tragedies." Mr. Sowell, in his book, repeatedly assails what I call negative incentive. He says that college foundations and special programs are "explicitly not looking for the academically ablest black students." This is even spelled out in various legislation, in HEW guidelines and accompanying Federal grants. Instead, they often recruit students "from the bottom." Under such guidelines, those scoring above B minus have a lesser chance of a good education than those ranging below down to D plus.

As the article inserted below points out, the youngsters who stand to gain from such programs are not only those who cannot make the grade, but those who can make the grade but deliberately suppress achievement in order to qualify. I am sure that my colleagues will agree that this is not a trend we wish to encourage. With the House Education and Labor Committee now deliberating on the best method of allocating funds for the educationally deprived child, I recommend the reading of the following article in order to better understand the problem of negative incentive.

#### HIGH SCHOOLERS DECIDE "GOOFING OFF" PAYS BIG IN FEDERAL FUNDS—SOMETIMES

Playing the "Goof Off Game" is the key to college entrance under federal programs for the disadvantaged, a group of city high school students have told The Courier-Express.

Work hard for low grades is the first rule of the game, according to five blacks and one white pupil who agreed to talk with a reporter if they could remain anonymous.

Seated in Miss Sharon Lanza's Math 11

classroom at Grover Cleveland High School, the students explained, variously:

"The only way I can get into college is to play dumb."

"We fail tests, skip homework and cut class, so we can get low marks."

"You don't know to fail a test!!!! You just put down any answer that looks good—or, if a test has five parts, you do two or three and say you can't do the rest."

"You try to get low grades in hard classes, like physics or trigonometry, but get good ones in the easier subjects like history and English. That way it looks like you have potential, but need some help."

"Yeah, then you get into one of the special EOP (Educational Opportunities Program) groups in college, and they give you tutoring, and it looks like their programs are working, while the high school's wasn't."

"The regulations say you have to be both poor and dumb, and it's hard to be both. We're all poor, so we work on being dumb."

Miss Lanza had had four of the six students in earlier math classes. Some passed Math 10 easily in one semester, but had since struggled through three semesters of Math 11 and couldn't muster passing grades.

Like school principal Ronald L. Meer, the teacher became suspicious. After talking to their physics teacher, the suspicions became more widespread.

Talking to the youngsters, and observing their class work (when they knew they weren't being graded) made it obvious they were not producing work of which they are capable.

Asked to explain the youngsters admitted they were purposely working to get low grades. Some for as long as four years, some for only one or two years.

For, as they understand regulations for college admission via federally-funded EOP programs for "deprived" youngsters, their chances of acceptance depend on their grades staying below the 85 per cent mark, and the chances improve if their grades stay below 80.

"It's better to get 65 than 90," said one youth.

Another added, "They have special programs for deprived kids with averages 79 and below, but not for those 90 and above."

When it was pointed out there are scholarship programs for those with good grades—90 and above—the students said they could get more money from the EOP programs than from the regular scholarships, so financially, it's more worthwhile to aim low academically.

They also admitted that aiming high might only bring them to the high 80s or low 90s, and that might not be good enough for the stiff competition for regular scholarships, yet would keep them out of EOP as "too smart."

This puts the 85 to 90 per cent grade level students into a sort of limbo, too smart for the EOP regulations and not smart enough for regular scholarship competitions.

"Maria" is a perfect example. She is black, comes from a broken home, works after school to support herself and falls easily into the "economically deprived" category.

Unlike the other five students interviewed, she has consistently worked hard to earn grades of which she is capable.

Her freshman average was 88, sophomore 90, junior 85, and so far in her senior year, 87. Her I.Q. falls within the "average" 90 to 110 range, though just barely, indicating she has indeed worked hard for her grades.

But, she scored poorly on the regents scholarship exam, ruling out financial help in that area.

She is "in everything" at school, a cheerleader, winner of several sports and music awards, active in the Inter-High School Stu-

dent Council, third-place winner in the Erie County competition for the Daughters of the American Revolution, and deemed "an outstanding senior" by the faculty voting on grades, activities, character and leadership.

Her grades are not high enough for regular scholarship competitions; yet too high for EOP. She can't afford to finance her own college education.

She wants to be a nurse or a medical technician. To date, she has not gotten into college.

#### GOOFING OFF

"Tom" was a different story. Listening to him talk for even five minutes shows he's an above average student. Yet, a check of his yearly averages (freshman 73, sophomore 76, junior 75, senior 72) shows he has been right in saying he's been goofing off for four years.

His math teacher insists he's more than capable and that his class work far exceeds his test score—when he comes to class to take the tests.

Moreover, he is one of only five students at Grover allowed to do "independent study," an experimental program limited to those who show they can do above average work, because working alone, outside of class, more is expected of them.

Tom is doing one year of study on suspended animation.

He submitted the request, got special permission to use the facilities at the University of Buffalo Medical School, and gained approval for his project from the science teacher under whom he is working.

Yet, his past scholastic record apparently was sufficiently poor to gain his admission into EOP. He has been accepted into UB's "Outward Bound" tutoring program, and into EOP groups at Albany and Cortland State College, as well as UB.

The trigonometry tutoring he's getting in Outward Bound hasn't taught him anything he didn't learn in high school, he said. Miss Lanza agrees that he knows the work, though he doesn't let his grades show it.

Two other boys interviewed transferred to Grover Cleveland after two years at Hutchinson-Central Technical High School. Their grades show they didn't do well at Tech, just as their grades at Grover Cleveland show.

But, the stringent entrance requirement for Tech implies they did work in grammar school.

Both are now participating in a tutoring program at a community agency. Both claim supervisors there have advised them to get good marks in history and English, but slow down in math and science—to show "potential, but need for special help" via the EOP.

#### ABOVE AVERAGE

One boy, "Bob," has an above average I.Q., 118, with yearly averages of 75, 71, 82, and 79 respectively.

He's active in sports and the school's science club. Last year he passed geometry (a two-semester course) in one semester, scoring 72 on a state Regents exam. Now, he's purposely flunking math 11.

Bob's efforts to aim low have backfired. He hasn't been accepted in a federal program. So far, he has gained admission to Hilbert College—on a basketball scholarship which will only provide a fraction of the funds he would get under EOP. The other boy, "Jerry," hasn't been accepted anywhere. Records show an average I.Q., 102, with school averages of 75, 71, 82, and 71.

Miss Lanza said he sleeps in class because he works full time and he's simply tired. He shows good math reasoning when he participates, but skips class when he knows there's going to be a test.

The teacher explained that while students can purposely fail a test—and do if one is sprung unannounced—they seem to dislike doing it this way, preferring to cut if they know of a test ahead of time.

Because of the busing program, it's nearly impossible to keep students after school for make-ups, and knowing this, they simply cut class and take a failing test grade by not taking the test.

Jerry's past records show a history of poor class marks followed by good test marks.

His yearly average in freshman science was 76; his final exam score—90. In economic world, his average was 71, his final test score 86. As a sophomore, his 67 exam mark in world history pulled him through the course, though he had a yearlong average of 55.

#### WHITE STUDENT

"George" was the one white student in the group.

He learned to "play dumb" from an older brother, "Don," who made a concerted effort to get thrown out of school via a variety of disciplinary infractions. As a dropout, Don got into a federal program to make up the work, eventually got into UB under EOP money, and is now studying psychology.

George is active as a public speaker, doing his own research as a member of the debate team, and for a radio program in which students interview various community leaders on current issues.

His I.Q. is 109, his yearly averages, 82, 72, 74, and 82.

#### NEAR BACKFIRE

His goofing off nearly, just nearly, backfired.

He purportedly got a poor score on the regents scholarship exam, by walking out early and omitting answers he knew. But, he worked for a good grade on the SAT (College boards) exam—passing the gamble taken by some students: "Do I aim high and try for regular admission, or play low for the more lucrative federal programs?"

George was nearly accepted into Buffalo State College's SEEK program—until officials saw his SAT score. He said they told him the score was too high for admission into the special program.

But, because of that good score, he has been accepted at Canisius, the college for which he was aiming in working high.

#### JOB HUNTING

George was saved. But what happens to the other students, like Jerry and others who declined to take part in the interview? The students interviewed claim that many at Grover Cleveland as well as other schools, have operated under similar thinking.

What do they do after high school goofing off fails to get them into college, leaving them marks which may prove a problem when they go job-hunting?

Meer posed some other questions.

If they are accepted into college, can they break the goofing off patterns developed in high school? Can they do college work without forming good study habits earlier?

#### SHORT-CHANGED

Imagine what they could have done if they had tried to work in high school, seeing they have done fairly well without trying, said Meer, adding "They are short-changing, cheating themselves."

With school grades on their permanent records, how can they really prove they have ability, if the need arises?

Miss Lanza noted what has already hit some students. Three of the boys interviewed applied to the General Motors Institute.

Though they impressed the interviewers, Miss Lanza said the institute personnel admitted they could not accept the boys because of their poor math grades—despite the teacher's efforts to tell them her class observations proved otherwise, and despite the institute's goal of enrolling more minority students.

Whether or not the colleges agree, these students and reliable sources from other schools claim that many "smart" minority youngsters are convinced their chances of

college admission improve if they gamble for low grades. They say they have seen others do it.

They rate the minority students currently in EOP college programs three ways—those like them, who are college material, but "played dumb" to get the low grades necessary to get in; those who are not college material, but got in on low grades they deserved; those who are college material and got in on potential, with no concerted effort to get poor grades, in other words, those who worked hard to get in honestly.

No matter how they got in, however, the students expressed resentment over the connotations developed toward minorities in the programs, the idea that their college work "is a gift"; that these students aren't as good as "regular students," but are looked upon as "someone to help;" that it degrades them all as a group because of the maneuvering of some.

Moreover, it kills motivation because they feel they don't have to strive for excellence, as does the rest of the world.

"It's discrimination of another kind," said one boy.

Meer calls it "an invidious kind of racism; everyone else has to work up, but they feel society expects them to be stupid, so they have to work down in order to get anywhere."

The students agreed there is a need for the EOP programs, but feel they should operate like other programs, with the idea that "those who work get an opportunity, not those who seem to need help."

That would be people like Maria, who fall into the 85 to 90 per cent academic limbo despite a lot of hard work.

She's too smart for the special programs that could give the financial help she needs, but not smart enough for the other, more competitive, but less lucrative programs.

Despite her honest effort to work for good grades, she was very likely nudged off the EOP college admissions because of other students, those who "played dumb" to get in, or won approval with grades lower than her 88, 90, 85 and 87 high school averages.

#### FEDERAL SUPPORT IS NEEDED FOR PUBLIC HEALTH SERVICE HOSPITALS

The SPEAKER per tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, on September 12, the House failed to override the President's veto of S. 504, the Emergency Medical Services Systems Act of 1973. This may mean the eventual closing of the eight Public Health Service hospitals across the country which have had a long history of providing quality medical care.

The administration feels that operating the Public Health Service hospitals is no longer economically acceptable. The President advises that these hospitals should fall under the responsibility of State and local governments. If the Federal Government does not have the economic means by which these hospitals can be maintained, how are our State and local governments expected to assume the responsibility? The administration would have us believe that State and local governments are perfectly capable of assuming the costs of these hospitals.

We know this is unrealistic and the inevitable result will be the extinction of these vitally needed Public Health Service hospitals. Each year Public Health Service hospitals train 12,000

physicians, dentists, medical technicians, licensed practical nurses, physicians' assistants, orthopedic assistants, medical librarians, and other paramedical personnel as well as provide medical care to well over 1 million Americans. This, in itself, is justification for continuing Federal support of the Public Health Service hospitals.

The decision as to whether or not to close down these hospitals will soon be handed down from the U.S. district court here in Washington. Because of the importance of these hospitals, and in the event of an adverse court decision, I am today introducing a bill which would require the Department of Health, Education, and Welfare to continue operating the eight Public Health Service hospitals across the country.

The bill is identical to the PHS hospital provision which was included in the Emergency Medical Systems Act vetoed by the President. It would, in essence, require HEW to continue operating the hospitals at their January 1, 1973, level of operations or higher until Congress, by law, authorizes otherwise. It would not require that the hospitals remain open forever. Rather it would simply permit Congress, as opposed to HEW, to decide if and when they are to be closed. This is entirely consistent with the President's expressed objective of returning decision-making authority to the people and reversing the notion that "Washington always knows best."

The closing of these hospitals would have a direct effect on the economy of their respective areas. The patients serviced by these hospitals will have nowhere to turn, unless, of course, they are able to bear the 40- to 50-percent higher cost of health care in private hospitals. Those people who staff the hospitals would be forced to seek alternate employment and the States would assume the burden of increased unemployment. Already our PHS hospital in Baltimore has been experiencing an exodus of trained medical personnel.

The PHS hospital in Baltimore has had a long history of providing quality medical care. Currently, it is functioning as a general medical-surgical facility with extensive training and research programs. The cancer research located in this institution and its continuing education program for health professionals have greatly contributed to the outstanding reputation of the Baltimore PHS Hospital.

Certainly the hospital's work in the field of cancer research is in line with the administration's attack against this dreaded disease. The precipitated closing of the Wyman Park facility in Baltimore without a determination of who will continue this cancer effort makes no sense.

The administration points out that closing the hospitals will save some \$35 to \$45 million in renovation costs in the short run. But they go on to demonstrate that this initial saving would soon be consumed by the higher annual costs of providing care to merchant seamen and other PHS patients through community hospitals. Specifically, HEW's plans indicate that the operating cost of its proposal would run about \$8 million more

each year than it now costs to keep the PHS hospitals going.

I cannot subscribe to the notion that the closing of these hospitals is necessary in order to fight inflation. I do not think that the way to fight inflation is by closing facilities such as the Baltimore PHS Hospital where cancer victims are receiving treatment.

Last year the Congress passed, and the President signed Public Law 92-585, which established conditions for the closure or transfer of Public Health Service facilities. This law requires that the Secretary of Health, Education and Welfare transmit to Congress detailed plans for closing any PHS hospital at least 90 days in advance of the intended closure date. Furthermore, this law requires that those plans contain the following:

First, assurances that those now receiving care at the hospitals will be provided equivalent care under any new arrangement.

Second, an estimate of the cost of providing such care; and

Third, the comments of the relevant 314(a) and 314(b) health planning agencies if they wish to comment after being given a reasonable opportunity to do so.

On March 28 of this year, the Congress received HEW's plans for closing this summer the PHS hospitals in Baltimore, Seattle, New Orleans, San Francisco, Galveston, and Boston. Subsequently, we have also received the plan for closing the Norfolk hospital.

Mr. Speaker, these plans are disastrously lacking with respect to the requirements of Public Law 92-585.

They do not assure equivalent care to those now receiving treatment at the hospitals. They do include what amounts to a superficial survey of bed availability in the affected communities. But they do not include assurances that those beds would, in fact, be made available to PHS beneficiaries. Nor do they include any detail on how inpatient care would be offered in community hospitals to serve the unique requirements of seamen or of the poor who are being served by many of the PHS hospitals.

Mr. Speaker, everyone talks about the importance of health. We had better begin to give health the priority it deserves because it is one of the most important domestic problems we face today. We have good research, but we can do more and we must do more to translate that research into care for all Americans.

The PHS hospitals play a substantial role in health manpower training and health research to provide facilities for a wide variety of health programs servicing those people who cannot afford to purchase these services independently.

Mr. Speaker, these Public Health Service hospitals play a vital role in providing health service and training to Americans and I believe that we must maintain their operation. At this point I would like to include a text of the bill.

H.R. 10633

A bill to provide for the continued operation of the Public Health Service hospitals which are located in Seattle, Washington; Boston, Massachusetts; San Francisco,

California; Galveston, Texas; New Orleans, Louisiana; Baltimore, Maryland; Staten Island, New York; and Norfolk, Virginia.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the Secretary of Health, Education, and Welfare shall take such action as may be necessary to assure that the hospitals of the Public Health Service, located in Seattle, Washington; Boston, Massachusetts; San Francisco, California; Galveston, Texas; New Orleans, Louisiana; Baltimore, Maryland; Staten Island, New York; and Norfolk, Virginia, shall continue—*

(1) in operation as hospitals of the Public Health Service;

(2) to provide for all categories of individuals entitled or authorized to receive care and treatment at hospitals or other stations of the Public Health Service inpatient, outpatient, and other health care services in like manner as such services were provided on January 1, 1973, to such categories of individuals at the hospitals of the Public Health Service referred to in the matter preceding paragraph (1) and at a level and range at least as great as the level and range of such services which were provided (or authorized to be provided) by such hospitals on such date, and

(3) to conduct at such hospitals a level and range of other health-related activities (including training and research activities) which is not less than the level and range of such activities which were being conducted on January 1, 1973 at such hospitals.

(b) (1) The Secretary may—

(A) close or transfer control of a hospital of the Public Health Service to which subsection (a) applies,

(B) reduce the level and range of health care services provided at such a hospital from the level and range required by subsection (a) (2) or change the manner in which such services are provided at such a hospital from the manner required by such subsection, or

(C) reduce the level and range of the other health-related activities conducted at such hospital from the level and range required by subsection (a) (3), if Congress by law (enacted after the date of the enactment of this Act) specifically authorizes such action.

(2) Any recommendation submitted to the Congress for legislation to authorize an action described in paragraph (1) with respect to a hospital of the Public Health Service shall be accomplished by a copy of the written, unqualified approval of the proposed action submitted to the Secretary by each (A) section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) the area in which such hospital is located or which is served by such hospital, and (B) section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) such area.

(3) For purposes of this subsection, the term "section 314(a) State health planning agency" means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) (referred to in paragraph (2) as a "section 314(a) plan"); and the term "section 314(b) areawide health planning agency" means a public or nonprofit private agency or organization which has developed comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) (referred to in paragraph (2) as a "section 314(b) plan").

(c) Section 3 of the Emergency Health Personnel Act Amendments of 1972 is repealed.

## INQUIRY INTO CONDUCT OF VICE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, yesterday I introduced House Resolution 572, a Resolution of Inquiry directing the Attorney General to provide the House of Representatives with any facts indicating that Vice President AGNEW has accepted bribes or failed to declare all of his income for tax purposes. I refer you to page 32096 of yesterday's RECORD.

My reason for introducing this privileged resolution is to force the House to deal with the question of whether the Vice President has committed impeachable offenses. Under the Constitution the House is charged with impeaching the Vice President if he has committed treason, bribery, or other high crimes or misdemeanors. News reports allege that violations have occurred. Individual House Members so far as I know do not have the facts. Certainly I do not.

However, the Attorney General does have many of these facts in his possession. If the House is to fulfill its constitutional responsibility to decide whether impeachment of the Vice President is warranted, it should have those facts at the earliest possible time.

The Nation cannot be without a President. The Vice President is next in the line of Presidential succession. If something should happen to President Nixon, SPIRO T. AGNEW would become President of the United States. It is unthinkable that the President of the United States, the moral leader of our country, should be under indictment for criminal offenses.

Suppose he were indicted, tried, and convicted. If he succeeded to the Presidency, could he grant himself a pardon and continue as the Chief Executive of the land? That is the absurd conclusion the logic would dictate of those who urge that the House of Representatives do nothing while this matter is pending in the courts.

In my view, the House has a higher duty to the American people—a duty to preserve the line of Presidential succession and the integrity of those who are only a heartbeat away from the Presidency.

Under the rules of the House, the Judiciary Committee is required to act upon my Resolution of Inquiry within 7 legislative days, or risk having the resolution taken from it. The recommendation of the committee is then subject to approval by the full House.

If the committee fails to act within the allotted time, I shall introduce a privileged motion to discharge the committee from further consideration of the resolution. In that way, Members of the House will have an opportunity to decide whether an investigation of the conduct of Vice President AGNEW should be undertaken, or whether Congress should stand idly by.

## IDA: THE FOURTH REPLENISHMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, shortly the administration will bring to Congress, a bill requesting authorization for further U.S. participation in the International Development Association, which is the so-called soft loan window of the World Bank. As chairman of the Subcommittee on International Finance, I feel it is my responsibility to advise all Members of the agreement the United States has entered into for IDA, and to advise my colleagues of certain correspondence I have had with the Secretary of the Treasury and the President on this subject. Accordingly, I take the liberty of placing into the RECORD at this point, copies of correspondence between Secretary Shultz and myself, a copy of a letter I sent to the President yesterday, and a copy of the press release announcing the IDA fourth replenishment.

THE SECRETARY OF THE TREASURY,  
Washington, D.C., September 7, 1973.  
The Honorable HENRY B. GONZALEZ,  
Chairman, Subcommittee on International  
Finance, Banking and Currency Committee,  
House of Representatives, Washington,  
D.C.

DEAR MR. CHAIRMAN: I am writing to you concerning the urgent need facing both the International Development Association (IDA) and the Asian Development Bank (ADB) to replenish their resources for making soft-term loans to poor countries. I am doing so as part of an intensive program of consultations the Executive Branch is carrying out to determine the views of Congress regarding the level of U.S. participation to further funding of these important international institutions. These consultations are, in turn, part of a major effort on the President's behalf to establish a new framework for executive-legislative cooperation in participating in these institutions.

To underscore the importance the President attaches to our participation in these institutions, I am enclosing a copy of a letter I received from him asking me to press forward on an urgent timetable with international discussions and with the necessary Congressional consultations. In his letter, the President states unequivocally that, "Adequate funding of these institutions is vitally important, and that the United States should do its fair share."

It is particularly important that I communicate with you now on this subject, because I will be leaving shortly for the annual meeting of the IMF and the World Bank in Nairobi which opens September 24, and at that meeting other donor countries will be looking to the United States for an indication of what level of future IDA replenishment it is prepared to support and submit ultimately to Congress. Our position on ADB special funds replenishment will likewise be sought by other donor countries at a meeting scheduled immediately following the Nairobi meeting. Failure by the United States to state a position will effectively block the timely actions which other donor countries are prepared to take in their own legislatures.

There appear to be five major concerns on the part of members of Congress regarding IDA replenishment. First, perhaps the main concern is to reduce significantly the U.S. share of total contributions from its present 40 percent level. Second, many members of Congress also feel it essential, in view of current U.S. budget and balance of

payments stringencies, not to increase the absolute amount of our annual contributions. There are, in addition, strong desires to ensure that international institutions take a leading role in South Indo-China reconstruction, thereby reducing the direct burdens on us; that further progress be made by the World Bank toward establishment of a truly independent audit mechanism to review Bank and IDA operations; and finally, that the current requirement to make retroactive additional IDA subscription payments for maintenance of value purposes following devaluation be reduced or eliminated.

I believe the following plan for the Fourth IDA Replenishment, which has evolved from international discussions, is in fact fully responsive to the above Congressional concerns:

First, the United States share of the replenishment would be reduced from 40 percent to one-third.

Second, we would have the option to spread our normal three-year payments over a four-year period, beginning in FY 1976. By doing so, the annual amount of our contribution would be kept to \$375 million per year. Our present contribution level of \$320 million per year in pre-devaluation dollars is the equivalent of approximately \$388 million after adjusting for existing maintenance of value. Accordingly, a \$375 million annual contribution in current dollars would not represent an increase.

Nevertheless, a U.S. contribution at this level would make possible a total replenishment allowing IDA to make loan commitments of \$1.5 billion per year for a three-year period beginning July 1974 when its current resources will be exhausted.

Third, the World Bank would take a leadership role, along with the ADB, in organizing reconstruction efforts in South Indo-China, and would allocate a significant volume of IDA resources for this purpose.

Fourth, further steps would be taken to ensure the independence of the World Bank's operations evaluation (audit) unit, including direct reporting requirements to the Board of the Bank, i.e., along lines consistent with recommendations of the General Accounting Office.

Fifth, at a minimum, maintenance of value obligations would not extend beyond the payment date for each subscription installment, so that any payment will constitute final payment in full.

I think it fair to say that the Congress, by making its views known to us, has played an important role in the formulation of this proposal and that its views have been reflected in a very full manner. All other countries are prepared to move ahead now with a substantial IDA replenishment along these lines. I am hopeful that as a result of contact with you and other Congressional leaders between now and the Nairobi meeting, I will be in a position to enter into a definite understanding at Nairobi which all governments would then submit to their legislatures. If all went well at Nairobi, the President would submit draft authorization legislation shortly after our return.

A similar need for a definite statement in the immediate future of the basis on which the United States is prepared to move ahead exists with respect to replenishment of the ADB's concessionary lending funds. I believe the following proposals that have evolved from our preliminary discussions with other ADB members also meet the Congressional concerns that have been expressed:

First, our cumulative share in soft funds contributions to the Bank would be only 20 percent. This is so because others, who have already contributed almost \$250 million, are prepared to have us apply the \$100 million authorization that is still pending appropriation in the Congress to a U.S. contribution of \$150 million for a second, three-year round of contributions. We thus obtain "double

duty" from two-thirds of the funds we put up. Other countries would put up a further \$375 million at this time.

Second, the \$100 million portion of our contribution may remain tied, while others contribute on an untied basis. Thus American suppliers will be assured of \$100 million of special funds business, and of eligibility to compete for still larger amounts. The additional \$50 million of our contribution to this new round would not give rise to any balance of payments effects until the late 1970's. We have, as you know, satisfied ourselves that ADB procurement procedures are not biased against American suppliers, and I am confident that recent exchange rate changes will have an important beneficial effect on American competitiveness in Asia.

Third, the replenishment will permit the ADB to expand the operations it is already carrying on in South Indo-China, with highly favorable burden-sharing from our standpoint.

Fourth, no maintenance of value provisions will apply to these contributions.

As in the case of IDA, I am hopeful that upon completion of Congressional contacts we will be in a position at the donors' meeting on ADB special funds to indicate agreement to a definite proposal for submission to legislatures. Again, subject to a satisfactory outcome of our discussions with other countries, President Nixon would then submit authorizing legislation for our contribution, along with the IDA request just mentioned, shortly after the Nairobi meeting.

I would welcome any indication you might care to give on the above courses of action with respect to IDA and ADB—which I sincerely believe would be appropriate ones, serving our country's need to be a full participant in these cooperative international institutions, and the need of the Congress to be fully involved in the decision process for that participation.

Sincerely yours,

GEORGE P. SHULTZ.

SEPTEMBER 11, 1973.

Hon. GEORGE P. SHULTZ,  
*The Secretary of the Treasury,*  
Washington, D.C.

DEAR MR. SECRETARY: I sincerely appreciated your letter of September 7, regarding negotiation for replenishment of the International Development Association (IDA) and the Asian Development Bank (ADB). I understand that you have sent an identical letter to the Chairman of the Banking and Currency Committee, the Honorable Wright Patman. In view of this, I would not presume to speak for the full committee, but only for myself and suggest that you consult closely with the Chairman in order to ascertain his views with respect to the proposals outlined in your letters.

Nevertheless, I would like to offer my own personal comments with respect to your letters and the proposals outlined therein.

First: I think that it is correct to presume that the majority of the Congress desire to reduce United States outlays abroad which implies that we should reduce our total contributions to the multilateral institutions. This is an appropriate reflection of our balance of payments difficulties and, moreover, would be an appropriate recognition of the growing economic strength of other advanced countries.

Second: I agree with your observation that a number of the Members of Congress, and particularly those of my colleagues on the Appropriations Committees, would like to see no increase in the absolute level of our annual contributions.

Third: The Congress has for a considerable period, indeed, been interested in obtaining an independent audit of IBRD and IDB operations.

It is also true that while my colleagues seemed quite willing to increase subscription payments to provide for maintenance of value commitments to IDA and other institutions after the first U.S. devaluation, they were reluctant to do so after our second devaluation. I do not feel that it is urgent for us to insist on suspension of maintenance value requirements unless you intend to convey to me that you anticipate further devaluations. I certainly have no such anticipation and therefore feel that suspension of maintenance of value requirements might merely contribute to continued instability in the world monetary markets. I feel that the United States should adopt no position that implies, however indirectly, that the dollar might or should be devalued further and, therefore, while it is true some Members might be reluctant to continue maintenance of value requirements, I doubt that anyone feels these should be suspended.

In your letter you stated, "there are . . . strong desires to ensure that international institutions take a leading role in South Indo-China reconstruction, thereby reducing the direct burdens on us . . ." Mr. Secretary, insofar as I recall, I have had no discussions with you or anyone else with respect to where and how international institutions should make their commitments. I do not know of any geographical entity known as "South Indo-China" nor how you would define this term. In supporting a replenishment of IDA, at whatever level, I do not believe that the Congress is committing itself to push any policy in behalf of South Indo-China (however that term is defined) at the expense of any other area of the world. We have had no discussions with respect to this and you should not take the liberty of saying that the Congress is determined or committed to increasing assistance to what you call "South Indo-China" whether by multilateral or bilateral means, because this is certainly not my understanding of existing sentiment.

With respect to the specific level of United States commitment to IDA, I do not believe that Congress has been adequately consulted. While we have received various signals as to Administration intentions, this Subcommittee has not committed itself to supporting any particular level of contributions, but has only pointed out to the Administration the increasing difficulty of winning support for any contribution. I do not feel committed to any given level, nor do I feel that it would be possible between now and the Nairobi meeting for the Subcommittee to be so committed. Certainly I, and I know my colleagues, will work with you in attempting to sustain the commitment you feel necessary, but I do not feel that you should be at liberty to say that the Congress would necessarily support your commitment.

With respect to the Asian Development Bank, we have had no discussions and I feel that no negotiations should proceed until consultations can be had. I do not believe that the Administration has made an adequate effort to ascertain our views either with respect to IDA or to the Asian Bank and, accordingly, I hope that you will endeavor to contact us well in advance of any negotiations with respect to the Asian Bank, as you should have with respect to the International Development Association. I do not mean to imply that we seek to negotiate for you, but merely to say that it has become increasingly difficult in recent years for us to defend the position that the United States has made a commitment and that Congress is obliged to honor it. It would be far easier for us if the Congress could be involved on a continuing basis so that we could know well in advance of negotiations, at least the parameters of American thinking. We have been denied this in the past and what consultations have been held, have been at a

late date and under circumstances which would not allow the Congress a positive input, however well intentioned we might be.

As in the past, let me assure you that I feel a keen obligation to support the Administration in making those commitments that are essential to American security and world progress. I will cooperate with you in every way that I can, as I have in the past, and I offer the foregoing by way of a frank commentary on matters as I understand them. Such frankness is, I believe, the basis of effective cooperation.

With best wishes, I remain.

Sincerely yours,

HENRY B. GONZALEZ,  
Member of Congress, Chairman.

OCTOBER 1, 1973.

The Honorable RICHARD M. NIXON,  
The President of the United States,  
The White House,  
Washington, D.C.

DEAR MR. PRESIDENT: I have learned from press reports that the United States agreed to seek authorization from Congress for a \$1.5 billion further contribution to the International Development Association (IDA).

I believe it was correct for Secretary Shultz to make it clear that United States participation depended upon the approval of Congress. In the past, many critics of the multilateral lending programs have complained that the Congress seemed to have no other choice than to ratify whatever commitment had been made. Certainly, Mr. Shultz' comments make it plain that Congress is not necessarily obliged to approve the commitment made at Nairobi.

On the other hand, let me assure you that when the Administration comes forward with a bill embodying a request for further participation in IDA, this Subcommittee will promptly consider it. I have, in the past, cooperated in every possible way with the Administration on legislation for the multilateral institutions and will continue to offer my whole-hearted cooperation.

Nevertheless, Mr. President, in all candor, I must say there are tasks with respect to this commitment for IDA that will not be easy. Favorable consideration of this legislation will require your energetic leadership, especially since so many Members of the House feel terribly unwilling to make foreign commitments at a time when domestic commitments are being severely reduced.

It will be no easy thing to persuade many of my Colleagues that such things as emergency medical assistance are inflationary but IDA commitments are not.

Again, Mr. President, I assure you that this Subcommittee will promptly consider whatever request you bring forward in behalf of IDA. Candidly, I hope that you will exert full leadership in behalf of this measure for, in my judgment, its success or failure depends on effective leadership from the Executive.

With best wishes, I remain

Sincerely yours,

HENRY B. GONZALEZ,  
Member of Congress, Chairman.

INTERNATIONAL DEVELOPMENT  
ASSOCIATION,  
Washington, D.C., September 28, 1973.

Subject: Agreement on a Fourth Replenishment

The following announcement has been issued at Nairobi:

"Twenty-four contributing members of the International Development Association and Switzerland, have agreed on the need to increase the resources of the Association and to recommend that this should be done through a fourth replenishment of resources of the Association amounting to the equivalent of \$4.5 billion. The arrangements on which they have agreed will be submitted to the Association for further action and

transmittal to all member governments, it being understood that no commitment to contribute by any member will be made until approval, where necessary, has been obtained from its legislature.

"The proposed fourth replenishment would provide the Association when the necessary legislation approvals have been obtained with authority to grant new credits after June 30, 1974. All resources provided by previous replenishments will be fully committed by that time.

Part I Countries	U.S. \$ (equivalent)
Australia	90,000,000
Austria	30,600,000
Belgium	76,500,000
Canada	274,500,000
Denmark	54,000,000
Finland	25,200,000
France	253,545,000
Germany	514,500,000
Iceland	1,350,000
Ireland	7,500,000
Italy	181,350,000
Japan	495,000,000
Kuwait	27,000,000
Luxembourg	2,250,000
Netherlands	132,750,000
New Zealand	11,745,000
Norway	49,500,000
South Africa	9,000,000
Sweden	180,000,000
United Kingdom	499,500,000
United States	1,500,000,000

  

Part II Countries	
Israel	1,000,000
Spain	13,333,000
Yugoslavia	5,000,000
Switzerland	(1)
Total	4,500,000,000

<sup>1</sup> It is expected that the outstanding balance will be covered by an interest free loan from the Swiss Confederation to be approved by the Swiss Federal Council and Parliament.

"Joining for the first time in a proposal to replenish IDA as 'Part I' members are Ireland and New Zealand.

"Participating as 'Part II' members are Israel, Spain and Yugoslavia. Israel proposes for the first time to join as a contributor.

"The Swiss Confederation, not an Association member, has again announced its intention to participate in the Replenishment by seeking approval of a 50-year interest free loan to the Association.

"The agreement would provide for recipient countries a 55% increase in IDA resources in real terms. It also would represent a 32% increase in the aid effort of donor countries measured in terms of their GNP."

#### LET'S GIVE SMALL BUSINESS A CHANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 15 minutes.

Mr. MATSUNAGA. Mr. Speaker, I would like to express today my surprise and profound dismay at the recent announcement that the Small Business Administration has boosted the interest rate ceiling for loans by participating lending institutions. The increase, from 9 percent to 11 percent, must prove especially damaging to the small businessman now struggling with the uncertainties of climbing costs and prices. Moreover the 2-percent interest hike directly contradicts Government policies, as stated by the Congress, toward small business.

The reason, or rather the excuse, for SBA's action is clear: The unprecedented surge in interest rates of all kinds. With the country's major banks now charging a record 10-percent interest to their most favorite corporate borrowers and homebuyers finding mortgages either exorbitantly expensive or unavailable, all Government credit programs are subject to severe strains. And the raging cost of living, still far from effective control, makes it all the more difficult to maintain traditional national policies toward the individual entrepreneur.

Yet none of these considerations cancels the congressional mandate for the protection of this vital sector of the economy. As noted in the Small Business Act of 1958:

It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise . . .

It is thus the very purpose of the 1958 legislation to insulate small businessmen from those drastic changes in the overall economic climate over which they have no control.

This argument carries special significance in 1973.

Even if conceived of as an anti-inflation tool, interest boosts may be harmful in the long run. Economists have increasingly viewed the commercial concentration which small business programs seek to prevent as an important cause of the continuing inflation. Analysts have warned that the concentration of vast and unrestricted economic power will not halt itself, but requires specific Federal action to preserve and restore the healthy climate of free competition.

I protest, then, the new SBA interest ceiling not only because of its impact on small business itself, but in light also of its inevitable adverse effect on the structure of our entire economy. The current inflation demands much of Federal policymakers, but most of all it demands that we remain consistent to our deeply held belief in the importance of individual economic opportunity and the programs we have developed to sustain this opportunity.

The Small Business Administration indeed is such a program. Its recent interest rate boost is ill-considered and only serves to frustrate the purpose underlying the entire program. Mr. Speaker, I strongly urge the Administrator of the Small Business Administration to reconsider the recent SBA interest rate increase.

#### MUNICIPAL SECURITIES REGULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. STUCKEY) is recognized for 5 minutes.

Mr. STUCKEY. Mr. Speaker, this week the Public Finance Division of the Securities Industry Association is holding their annual conference in Kansas City, a portion of which will be devoted to a discussion of municipal securities regulation proposals. It is commendable that this forum is addressing the pressing

problems now faced by the industry which require some form of regulation.

By "pressing," Mr. Speaker, I wish to emphasize problems needing urgent attention, but not necessarily pervasive problems. In other words, it is my opinion that Federal regulation is overdue, although abuses within the industry are not rampant. While the Memphis-dealer scandal and the recent SEC action against Paragon Securities Co. exemplify gross abuses of public confidence and fraudulent sales practices, such unscrupulousness is not widespread within the industry. That the overwhelming majority of dealers are dedicated to fair principles of trade and protective of the public interest attests to their personal integrity as well as to the fully competitive nature of their industry.

The competitive structure of the municipal securities industry has performed the functions of self-regulation in the true sense of the word. The industry is characterized by a high degree of access resulting in many dealers interacting on a competitive bid basis for a large number of diversified bonds. In addition to these structural limitations, once a bid is won, members of a syndicate impose limitations on themselves. For example, the syndicate manager and individual participants outline in some detail the duties and obligations to each other in the functioning of the syndicate. Much of the decisionmaking is done within the group on a more or less democratic basis, and the members of the account can act as a check on each other as well as on the manager.

The structure of the industry, then, coupled with the personal qualities of the dealers have long obviated the need for regulation in a marketplace that has existed for over a hundred years. The need for Federal regulation has arisen not so much from a change in these two factors as it has from a change in the purchasers of bonds. Increasingly over the last decade, small and in many cases, unsophisticated investors have been attracted to municipal securities. Some of these investors have been, unknowingly, the victims of the fraudulent activity and other less than ethical practices engaged in by a few dealers. This has led all segments of the industry to agree that there is a need to eliminate any doubt as to the propriety of their practices.

The industry is as yet divided, however, as to the appropriate mechanism for regulating the activities of municipal securities dealers. One of the proposals which the conference will no doubt discuss encompasses an industry self-regulatory body, the National Association of Municipal Securities Dealers—NAMS—subject to SEC control and review. There is something to be said for dealers taking a major role in the writing of the rules by which they would function and the enforcement of those rules. One could certainly expect that such rules would be supported by the membership, and that given their expertise in this highly technical industry, such rules would resolve the problems without being unnecessarily inflexible.

Unlike other capital markets, bank municipal departments are an integral

part of the industry both as underwriters and purchasers. Therefore, despite the traditional bank exemption from the regulatory requirements of the Securities and Exchange Act of 1934, any viable proposal must include banks where these institutions perform the same functions in municipal securities as do other dealers. A second criterion is the assurance of uniformity and evenhanded regulation, if underwriting and enforcement for the various segments of the industry are to be vested in different regulatory bodies.

There are certain difficulties in arriving at a mutually acceptable compromise, but it is my hope that the industry will not find them insurmountable. I stand ready to consult with industry and to be of assistance where I can in fashioning a feasible legislative proposal which will serve both the industry and the public.

#### COLLEGE AND UNIVERSITY TUITION, THE COMMITTEE ON ECONOMIC DEVELOPMENT PROPOSES A GIANT STEP BACKWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. O'HARA) is recognized for 10 minutes.

Mr. O'HARA. Mr. Speaker, it is time to blow the whistle on the growing tendency for the rich to make grandiose plans to aid the poor with the money of the middle class.

A few months ago, the Carnegie Commission on the Financing of Higher Education proposed increasing the tuition charged at State and community colleges expressly for the purpose of having a greater share of the costs of higher education borne by the "higher-income" student and his family.

Now the Committee for Economic Development, which numbers among its rather small membership, the chairman and presidents of America's biggest and most prestigious corporations, law firms and banks, is proposing raising tuition and suggesting that the added costs can be met by making grants to "middle income" students whose family incomes are below \$12,000 a year.

I do not think the CED economists and bankers are deliberately trying to freeze the middle-class out of college, but I do believe they have a surprisingly outdated version of who is a rich family and who is a poor one. A committee whose members probably average a six-figure annual income can be forgiven if they honestly and sincerely think that \$15,000 puts a family in the "high-income brackets." Once it might have, but today, with interest rates at an all-time high, with meat priced out of the shopping list of people with incomes in that bracket, with policemen and school-teachers forced to moonlight to supplement incomes of \$10,000 to \$12,000, it just is not realistic to think in those terms.

As long as I am chairman of the Special Subcommittee on Education which has jurisdiction over higher education legislation, I can assure the good

people at the Carnegie Commission and the Committee for Economic Development that I am going to be very inhospitable to proposals that the State universities and community colleges raise their tuition—or that Federal funds be made any harder for the real middle income student to get.

Underlying these various proposals is the economists' assumption that there is little or no social benefit from postsecondary education—that anything that happens to a college student may be all right for him, but that it does not benefit the society at all.

I simply do not accept those assumptions. I think they are contrary to the evidence that faces us on every side. We have built a magnificent public education system on the belief that investments in education were and are the soundest investments we can make with public funds.

Instead of supporting increased tuition for those least able to pay them, I think we should return to the policy on which our land-grant, and community colleges were founded—free higher education for all who can profit from it, without any financial barriers at all. That is the system that made American education the wonder of the world.

That is the system that made Americans the best-educated people on Earth. And I, for one, am not ready to replace it.

#### COLLECTIVE BARGAINING RIGHTS FOR PUBLIC EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 10 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, this week the Special Subcommittee on Labor will begin its second round of hearings on the subject of collective bargaining rights for public employees. Comprehensive hearings were held last Congress on this important problem; those hearings covered 10 days, and more than 25 witnesses testified.

Two approaches to the Federal regulations in the public sector at the State and local level will be explored. One approach, H.R. 8677 (Mr. CLAY of Missouri and Mr. PERKINS of Kentucky), would establish an Independent National Public Employment Relations Commission with a mandate similar to that of the National Labor Relations Board. The other approach, H.R. 9730 (Mr. THOMPSON of New Jersey), would strike the present exclusion of States and political subdivisions from coverage of the National Labor Relations Act and have them treated as employees in the private sector.

There are over 10 million State and local public employees in the United States today. Their rights as employees are governed by a patchwork of varying State laws—from the progressive to the reactionary.

As a result we have had—in recent years—tremendous growth in public employee unions and an increasing militancy among public employees. This in turn has presented the country with a

spiraling number of disruptive public employee strikes.

It is obvious that the present legislative framework for dealing with public employee disputes is not working. It is my hope that as a result of these hearings Congress will be able to devise a uniform system of regulation and protection for employees in the public sector.

#### CONSTITUENT OPINION POLL—NEW YORK'S 27TH CONGRESSIONAL DISTRICT—PART III

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROBISON) is recognized for 15 minutes.

Mr. ROBISON of New York. Mr. Speaker, continuing with this effort as begun last week, I now present the third in a detailed report by me on the results of my recent constituent opinion poll.

In the planned, last installment—which I should have ready this week—I shall report that, by far and away, the some 30,000 persons who have so far responded to my question in this regard consider "the economy and inflation—the most serious and pressing problem faced by the United States and its people."

With that result somewhat in mind—for it does not surprise me—the fourth question included in my "postal patron" poll of the people of New York's 27th Congressional District was this:

During the last two years, we've gone from freeze to Phase II to freeze and now to Phase IV in an effort to halt inflation through Government control of wages and prices. Would you now favor abandoning this whole effort and going back to a control-free economy?

Purists might well complain that we have not enjoyed a truly "free" economy for the better part of this century—with which charge I would not disagree; however, I think my question was adequately phrased so as to encompass our present dilemma with direct controls on wages and prices and to sample, as well, public opinion as to their present worth. In any event, much after the fashion of citizens across the Nation, Mr. Speaker, it would appear that a substantial majority of the people I represent here have soured on the efficacy—at least under current economic conditions—of direct wage and price controls, since 58.5 percent of those answering that fourth question of mine said "yes" as to it, with only 41.5 percent saying "no."

In many ways, this majority viewpoint undoubtedly more or less parallels mine—for I have just about determined, Mr. Speaker, that abandonment of the administration's current wage-price control effort at, in language reminiscent of previous legislative efforts to end the war in Vietnam, the "earliest practicable date" would, at first, produce some 2 or 3 months of economic chaos and uncertainty, followed by something resembling an economic triumph as the American economy once again demonstrated its basic strength and resiliency.

Those of us here in positions of legislative responsibility who have lived, Mr. Speaker, through these past 2½ years—and I hope most of us can politically

survive them—have lived through an, in the main, unprecedented economic time-challenge for the people of the United States, with a history so curious that future economic historians cannot help but take special note of it.

To begin with, it was already apparent—over 2½ years ago—that this Republican administration's problems with its inheritance from its Democratic predecessor of an overheated economy was the one political problem, among a host of others, most likely to bring it down. In the end, that may still prove to be the case—even despite the inroads of the "Watergate" tragedy and, now, the political complications that can only be titled "the Agnew affair."

But whatever the shadows those unhappy political events may cast before them, Mr. Speaker—to get back to that time 2½ year or so ago—the whole thrust of majority political influence in the 92d Congress was to back Richard Nixon into such a corner that, if he did not then institute an effective Federal wage-price control mechanism, he would be the instant political victim of the fate that ought to befall any American President who could not control inflation in his own country. And so, as we will remember, that Congress voted Mr. Nixon "standby" authority to so deal in an "effective" fashion with the inflationary pressures that were blowing our economy up to potentially explosive proportions—with never a thought that he would ever actually turn to that authority, which he had repeatedly said he did not want and would not use. However, as we also vividly recall, on the evening of Sunday, August 15, 1971, President Nixon reversed directions and announced to a surprised Nation—and even more surprised Congress—that he was imposing, under that authority, a 90-day wage and price freeze on the economy, with what was later to be called phase II to follow in a far-reaching program to halt inflation and, along with a surcharge on imports and the devaluation of the dollar, make the United States an effective competitor in world markets once again.

There were cheers and huzzahs, Mr. Speaker, as we will remember, despite the misgivings of some. But, now—some 25 months later—those cheers have faded, and business and organized labor, along with much of the general public, as indicated by my poll, have turned against controls. Labor leaders, who were among the earliest to demand Presidential action along these lines were also among the first to become disaffected with the controls, as the 6- to 7-percent wage increases they could get their members proved insufficient to keep pace with food costs that sometimes increased that much in a single month. Then, business leaders, after a period of steadily higher profits, began to turn sour on controls as shortages appeared and it developed flat-out production rates left little room for greater productivity and, therefore, even higher profits. Finally, the consumers—who had strongly backed the Nixon effort in early months—lost all faith in the effectiveness of the permissive phase III period, found no solace in

such sporadic efforts as this spring's meat boycott and, though a mid-July Gallup poll showed them still favoring stiffer rather than more relaxed controls, now in ever greater numbers appear to agree with George Meany that it is time to "take whatever chaos comes from the removal of controls" in order to get rid of them.

Nevertheless, Mr. Speaker, I for one conceive it important for Congress—in an area of concern as complex as this one—to be something more than an erratic weather vane, shifting with every gust of public opinion. Even though it now be tempting to demand of the President an early end to all controls, we should bear in mind the fact that the reason the Founding Fathers chose for us a "representational" rather than a "direct" form of democracy was, as James Madison explained it:

To refine and enlarge the public views by passing them through the medium of a chosen body of citizens whose wisdom may best discern the true interest of their country.

One has to wonder if, in the present situation, it would not be almost as unwise for this Congress to pressure the President into a too early end of controls—about which he, himself, has said we will have to "work our way" out of—as it was for the 92d Congress to have pressured the same President into entering into them in the first place. To me, the answer seems to be obvious.

One final thing, though: Most of our constituents evidently now consider the Nixon effort at halting inflation to have been a total failure. Surely, the President did not meet the economic goals in this regard he and his advisers had set for the Nation, and I have to assume he is just as disappointed in this regard as any of us. However, some perspective as is valuable here as it is elsewhere. In trying to provide that, I am reminded of that old vaudeville skit in which the straight-man asks the comic, "How's your wife?" to which the comic responds, "Compared to who?" Before we assign total failure to the President's economic game-plan, let us compare inflation in this Nation to other countries' problems with the same phenomenon. Although our record is comparatively not as good when it comes to industrial wholesale prices, insofar as consumer prices are concerned—and it is on the basis of those that increases in the cost-of-living are generally computed—here is the trend for ourselves and nine other industrial nations during the 12-month period from June of 1972 to June of 1973, as well as for the 6-month period from December of 1972 to June of 1973:

#### RECENT TRENDS IN CONSUMER PRICES OF 10 INDUSTRIAL COUNTRIES

Country	Percent change		
	12 mos. June 1972-June 1973	6 mos. December 1972-June 1973	6 mos. December 1972-June 1973
United States.....	5.9	3.9	
United Kingdom.....	9.3	5.1	
France.....	7.4	3.2	
Germany.....	7.9	4.5	
Italy.....	11.5	8.9	

Country	Percent change		
	12 mos. June 1972-June 1973	6 mos. December 1972-June 1973	6 mos. December 1972-June 1973
Netherlands.....	8.3	4.8	
Belgium.....	6.9	3.2	
Japan.....	11.1	8.5	
Canada.....	8.1	4.4	
Sweden.....	6.9	3.6	

Source: OECD, "Main Economic Indicators."

As you can see, Mr. Speaker, while there is definitely room for improvement—especially insofar as price trends since last June are concerned—it remains clear that the citizens of most other lands would gladly exchange places with us Americans, and assume the burden of almost all of our problems, including our still-unresolved problem with inflation.

In any event, to move on to another of those unresolved problems—although this time one of far less public interest—the fifth question I asked my constituents was this:

Would you favor a case-by-case review of the Vietnam draft-evaders and the granting of amnesty, conditioned on 2 or 3 years of "public-service" work to those meriting the same?

Mr. Speaker, as I noted in one of these earlier installments, I had some trouble in drafting this particular question, and am still not altogether satisfied with its form. Nevertheless, I suppose it more or less reflects the interest I have heretofore been expressing—both here in this Chamber and at home—in the troubling question of amnesty, as one of those unfinished pieces we face, as a Nation, in putting together the final form of our withdrawal from our tragic involvement in the conflict for Southeast Asia.

I do not here intend to restate, in specifics, the nature of all I have said on this subject, or to again express my own disappointment in having failed, as I had hoped, to spark an objective and unemotional discussion in Congress and throughout the Nation of this largely misunderstood issue.

Suffice it to say that my efforts in this regard received more attention in my home district than they did here, and then, thanks to an unexpected interview about them as carried on the editorial page of the Wall Street Journal a few weeks back, brought me some additional attention along with some strongly-worded letters of disapproval from around the Nation.

The important thing, though, insofar as any of my colleagues are concerned, Mr. Speaker, who might—someday—want to join me in a further discussion of this issue, is that one can do so, as I have proved, and still survive politically since, for every letter of disapprobation I have received, I have also received about two indicating interest and support, besides which, and of more direct importance to me, I can now report that my constituents responding to this opinion poll said "yes" to this question by a percentage of 57, as compared to the 43 percent who said "no."

The fourth, and final, installment in this series, Mr. Speaker, will be ready, I

hope, for insertion in the RECORD on tomorrow.

#### "TO GIVE IN WHEN ONE LIFE IS ENDANGERED ONLY ENDANGERS MORE—THERE CAN BE NO DEALS WITH TERRORISTS"

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Prime Minister of Israel, Golda Meir, appeared before the Consultative Assembly of the Council of Europe just yesterday and in what was reported as an extraordinary extemporaneous statement, she brought that very sophisticated audience of members of parliaments representing 17 European countries, to their feet in a standing ovation. I am setting forth excerpts from that statement which relate to the action of the Austrian Government and its submission to Arab terrorists.

The statement follows:

#### EXCERPTS FROM ISRAELI PREMIER'S SPEECH TO COUNCIL OF EUROPE

STRASBOURG, FRANCE, October 1—Following are excerpts from a transcript of an address given today by Premier Golda Meir to the Consultative Assembly of the Council of Europe:

I would be less than honest with you if I did not speak today about what happened in Vienna because that incident highlights the whole problem of the Jewish people and Israel's position among its neighbors. At the age of 25, we still owe an explanation to the world for our right to exist.

Having failed in Israel itself the Arab organizations, helped by Arab governments and provided by them with arms and with training for terrorist acts, have taken terror into Europe and all parts of the world.

I well understand the feelings of the Prime Minister and other members of the government of a country who says: "We have nothing to do with this. Why has our territory been chosen for activities of this kind?"

I do understand those feelings. I understand that they may reach the conclusion that the only way to free themselves of this headache is to make their country out of bounds either for Jews—and certainly for Israelis—or for terrorists. Such a choice has to be taken by every government.

If it is agreed that it is too dangerous for Austria, then why only Austria? Why not all countries?

#### DEALING WITH GUERRILLAS

I understand what it is like when a plane is hijacked. I have had experience of dealing with such situations. I have had to face the grim problems while Israel men and women in Thailand were kept on the floor bound hand and foot for over 20 hours. We had to say over and over again that we would not do the terrorists' bidding.

I hope I do not have to explain that in saying that I had no easy heart. Yet the parents of one of the young men and one of the young women involved called me to say, "Do not give in?" Perhaps I may digress here a moment to tell you that young man and the young woman are now married.

Why did we and those parents say, "do not give in?" Is it because we have no hearts? Have the parents no heart? Have the prime minister and the government no hearts?

#### A BITTER LESSON

We have learned a bitter lesson. To give in when one life is endangered only endangers more. The answer is that terrorism must be wiped out. There can be no deals with

terrorists. What about this terrible thing which has happened at Vienna? Is that a deal? Otherwise, I do not know what happened.

Let us say it was an agreement, an understanding. I am prepared to use the kindest words if it will only change the situation. An understanding has been made that the terrorists will let these three Jews and one Austrian go while in return Russian Jews who want to go to Israel will not be helped through Austria after all they have gone through in their struggle.

#### MUNICH IS CITED

This is the first time that a government has come to an agreement of this kind. Terrorists who have committed terrorist acts as in Munich at the Olympic games finally find themselves free to go through or try to go through the same operation all over again. They have placed the very basic, important principle of freedom of movement of people under a question mark. At the point of a gun, these terrorists have raised the question of whether any country should let Jews pass through in transit.

I know, I am convinced that the question of the lives of the four people is very dear. But I am convinced—certainly with no intention whatsoever on the part of the Austrian Government or its ministers—that what has happened in Vienna is the greatest encouragement to the world.

Believe me, we are strongly grateful for all that the Austrian Government have done for the tens of thousands of Jews who have gone through Austria from Poland, from Rumania, from the Soviet Union. I honestly and sincerely hope that this is not the final decision of the Austrian Government. I honestly and sincerely hope that there was some misunderstanding somewhere, that there was misinterpretation. Israel is not looking for a victory over any country. We just want an understanding that will protect our people."

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ESCH (at the request of Mr. GERALD R. FORD), for October 3, on account of official business.

Mr. JOHNSON of Colorado (at the request of Mr. GERALD R. FORD), from October 1, on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. REGULA) and to revise and extend their remarks and include extraneous matter:)

Mr. DERWINSKI, for 30 minutes, on October 3.

Mr. ROBISON of New York, for 15 minutes, today.

Mr. LANDGREBE, for 60 minutes, today.

Mr. HOGAN, for 30 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma) and to revise and extend their remarks and include extraneous matter:)

Mr. WILLIAM D. FORD, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MATSUNAGA, for 15 minutes, today.

Mr. STUCKEY, for 5 minutes, today.  
Mr. O'HARA, for 10 minutes, today.  
Mr. THOMPSON of New Jersey, for 10 minutes, today.

Mr. JONES of Oklahoma, for 30 minutes, on October 3.

Mr. DENT (at the request of Mr. OWENS), for 30 minutes on October 3, and to revise and extend his remarks and include extraneous matter.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GROSS to revise and extend his remarks and include a newspaper article.  
(The following Members (at the request of Mr. REGULA) and to include extraneous matter:)

Mr. FRENZEL.

Mr. MCKINNEY in two instances.

Mr. STEELE.

Mr. ROUSSELOT.

(The following Members (at the request of Mr. REGULA) and to include extraneous matter:)

Mr. KING in three instances.

Mr. CHAMBERLAIN.

Mr. DICKINSON.

Mr. FINDLEY.

Mr. HOLT.

Mr. HOSMER in two instances.

Mr. WYMAN in two instances.

Mr. BIESTER in two instances.

Mr. KETCHUM.

Mr. THOMSON of Wisconsin in two instances.

Mr. RAILSBACK in two instances.

Mr. HOGAN.

Mr. ASHBRICK in three instances.

Mr. DERWINSKI in three instances.

Mr. STEIGER of Wisconsin in two instances.

Mr. FORSYTHE in two instances.

Mr. ABDOR.

Mr. MARAZITI.

Mr. KEMP.

Mr. PARRIS in five instances.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous matter:)

Mr. GIAIMO in 10 instances.

Mr. WILLIAM D. FORD.

Mr. REID.

Mr. HOWARD.

Mr. BEVILL in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. JOHNSON of California.

Mr. HARRINGTON in five instances.

Mr. PATTEN.

Mr. STUDDS.

Mr. WALDIE in three instances.

Mr. O'NEILL.

Mr. RIEGLE in two instances.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Mr. ANDREWS of North Carolina.

Mr. LEGGETT.

Mr. BROWN of California in 10 instances.

Mr. TIERNAN in two instances.

Mr. DELLUMS in five instances.

Mr. WRIGHT.

Mr. DENHOLM.

#### ENROLLED JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 719. Joint resolution to extend the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages, to extend authorizations under laws relating to housing and urban development, and for other purposes.

#### SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S.J. Res. 160. Joint resolution to provide for an extension of certain laws relating to the payment of interest on time and savings deposits, 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 47 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 3, 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:

1411. A communication from the President of the United States, transmitting proposed amendments to the request for appropriations for the General Services Administration for fiscal year 1974 (H. Doc. No. 93-161); to the Committee on Appropriations and ordered to be printed.

1412. A letter from the Director of Selective Service, transmitting his semiannual report for the period ended June 30, 1973, pursuant to section 10(g) of the Military Selective Service Act; to the Committee on Armed Services.

1413. A letter from the Attorney General, transmitting a draft of proposed legislation to establish a Working Capital Fund in the Department of Justice; to the Committee on the Judiciary.

1414. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

1415. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act (8 U.S.C. 1182(a) (28) (I) (ii) (b)); to the Committee on the Judiciary.

1416. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d) (3)

of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182 (d)(6)]; to the Committee on the Judiciary.

1417. A letter from the Treasurer, American Historical Association, transmitting the audit of the association's accounts for the year ended June 30, 1973, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

1418. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Tariff Act of 1930 to provide an exemption from the restrictions of the trademark laws; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1419. A letter from the Comptroller General of the United States, transmitting a report on the financial status of selected major weapon systems being acquired by the Department of Defense; 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. FISHER: Committee on Armed Services. H.R. 8187. A bill to amend section 2031 (b)(1) of title 10, United States Code, to remove the requirement that a Junior Reserve Officer Training Corps unit at any institution must have a minimum number of physically fit male students (Rept. No. 93-537). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 2. A bill to revise the Welfare and Pension Plans Disclosure Act; with amendment (Rept. No. 93-533). Referred to the Committee of the Whole House on the State of the Union.

Mr. PIKE: Committee on Armed Services. H.R. 10614. A bill to authorize certain construction at military installations, and for other purposes (Rept. No. 93-534). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. H.R. 7582. A bill to amend title 10, United States Code, to entitle the Delegates in Congress from Guam and the Virgin Islands to make appointments to the service academies; with amendment (Rept. No. 93-535). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. House Joint Resolution 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 (Rept. No. 93-536). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 748. Joint resolution making an appropriation for special payments to international financial institutions for the fiscal year 1974, and for other purposes; with amendment (Rept. No. 93-538). 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. ASHBROOK:

H.R. 10628. A bill to amend the Internal Revenue Code of 1954 to provide income tax

incentives to improve the economics of recycling wastepaper; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 10629. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish a standard for determining substantial evidence of a drug's effectiveness for purposes of revocation of an approval of a new drug application under section 505 or repeal of a certification of antibiotics under section 507; to the Committee on Interstate and Foreign Commerce.

H.R. 10630. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the appointment of scientific advisory committees to make recommendations concerning scientific matters raised in the course of proceedings under section 507 of that act relating to certification of antibiotics; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG (for himself, Mr. HARRINGTON, Mr. ICHORD, Mr. NIX, Mr. ROE, and Mr. RONCALLO of New York):

H.R. 10631. 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 pass through increased costs; to the Committee on Banking and Currency.

By Mr. FLOWERS:

H.R. 10632. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN:

H.R. 10633. A bill to provide for the continued operation of the Public Health Service hospitals which are located in Seattle, Wash.; Boston, Mass.; San Francisco, Calif.; Galveston, Tex.; New Orleans, La.; Baltimore, Md.; Staten Island, N.Y.; and Norfolk, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Pennsylvania:

H.R. 10634. A bill to direct the National Science Foundation to undertake an expanded program of earthquake prevention and prediction research, and for other purposes; to the Committee on Science and Astronautics.

By Mr. KEATING:

H.R. 10635. A bill to provide for the continued supply of petroleum products to independent oil marketers; to the Committee on Interstate and Foreign Commerce.

H.R. 10636. A bill to reform the mineral leasing laws, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 10637. A bill to amend the Outer Continental Shelf Lands Act and to authorize the Secretary of the Interior to regulate the construction and operation of deepwater port facilities; to the Committee on Interior and Insular Affairs.

H.R. 10638. A bill to amend the Natural Gas Act to extend its application to the direct sale of natural gas in interstate commerce, and to provide that provisions of the act shall not apply to certain sales in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDGREBE:

H.R. 10639. A bill to provide for a phaseout period for certain Federal elementary and secondary education programs which would otherwise expire on June 30, 1974, and for other purposes; to the Committee on Education and Labor.

By Mr. LENT:

H.R. 10640. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to

demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LONG of Maryland:

H.R. 10641. A bill to strengthen interstate reporting and interstate services for parents of runaway children, to provide for the development of a comprehensive program for the transient youth population for the establishment, maintenance, and operation of temporary housing and psychiatric, medical and other counseling services for transient youth, and for other purposes; to the Committee on Education and Labor.

By Mr. MCKINNEY:

H.R. 10642. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize safety design standards for schoolbuses, to require certain safety standards be established for schoolbuses, to require the investigation of certain schoolbus accidents, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MCKINNEY (for himself, Mr. FREINZEL, Mr. HEINZ, Mr. ANDREWS of North Dakota, Mr. BIESTER, Mr. FRELINGHUYSEN, Mrs. GRASSO, Mrs. HECKLER of Massachusetts, Mr. McCLOSKEY, Mr. MALLARY, Mr. MOSHER, Mr. OBEY, Mr. QUIE, Mr. ROBISON of New York, Mr. RONCALLO of New York, Mr. SEIBERLING, and Mr. SARASIN):

H.R. 10643. A bill to amend the Economic Stabilization Act of 1970 to make mandatory the systematic allocation of petroleum products in accordance with the procedures established under the act; to the Committee on Banking and Currency.

By Mr. MATHIS of Georgia:

H.R. 10644. A bill to assure the constitutional right of privacy by regulating automatically processed files identifiable to individuals; to the Committee on the Judiciary.

H.R. 10645. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for security device expenses; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 10646. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 10647. 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. PERKINS:

H.R. 10648. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PEYSER (for himself, Ms. CHISHOLM, Mr. MURPHY of New York, Ms. HECKLER of Massachusetts, Mr. HEDNUT, and Ms. HOLTZMAN):

H.R. 10649. A bill to amend the Elementary and Secondary Act of 1965 to provide a program of grants to States for the development of child abuse and neglect prevention programs in the areas of treatment, training, case reporting, public education, and information gathering and referral; to the Committee on Education and Labor.

By Mr. REGULA:

H.R. 10650. A bill to provide for a study of the most feasible and suitable means of

preserving the resources of the Ohio and Erie Canal in the State of Ohio, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS (for himself and Mr. VANDER JAGT):

H.R. 10651. A bill to amend the Fish and Wildlife Coordination Act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. REUSS (for himself, Mr. ADAMS, Mr. MOSS, and Mr. THOMPSON of New Jersey):

H.R. 10652. A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by increasing the amount of minimum tax imposed on tax preferences; to the Committee on Ways and Means.

By Mr. RODINO (for himself and Mr. HUTCHINSON):

H.R. 10653. A bill to amend sections 656, 657, and 2113 of title 18, United States Code; to the Committee on the Judiciary.

H.R. 10654. 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. ROGERS:

H.R. 10655. 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. ROYBAL:

H.R. 10656. A bill to prohibit use of the mails to effect certain sales or other deliveries of mailing lists for purposes of commercial or other solicitation, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR (for himself, Mr. SHUSTER, Mr. BOLAND, Mr. KYROS, Mr. TEAGUE of Texas, Mr. MOORHEAD of California, Mr. HEINZ, Mr. RONCALLO of New York, and Mr. VEYSEY):

H.R. 10657. A bill to establish a loan program to assist industry and businesses in areas of substantial unemployment to meet pollution control requirements; to the Committee on Banking and Currency.

By Mr. SKUBITZ:

H.R. 10658. A bill to establish an Office of Rural Health within the Department of Health, Education, and Welfare and to assist in the development and demonstration of rural health care delivery models and components; to the Committee on Interstate and Foreign Commerce.

By Mr. WALDIE:

H.R. 10659. A bill to amend the Immigration and Nationality Act to provide for recording of admission for permanent residence in the case of certain aliens who entered the United States prior to October 3, 1965; to the Committee on the Judiciary.

H.R. 10660. A bill to amend the Immigration and Nationality Act to include sons and daughters within the provision relating to waiving the exclusion from the United States for fraud; to the Committee on the Judiciary.

H.R. 10661. A bill to amend the Immigration and Nationality Act to include sons and daughters within the provision relating to exclusion from deportation of aliens excludable for fraud; to the Committee on the Judiciary.

H.R. 10662. A bill to amend section 312 of the Immigration and Nationality Act with respect to certain tests for naturalization; to the Committee on the Judiciary.

By Mr. WYMAN (for himself, Mr. DERWINSKI, Mr. DEVINE, Mr. SEBELIUS, Mr. GROSS, Mr. VIGORITO, Mr. MCCLORY, Mr. SIKES, Mr. RARICK, Mr. RANDALL, Mr. MICHEL, Mr. ESHLEMAN, Mr. ROUSSELOT, Mr. KETCHUM, Mr. GUBSER, Mr. TAYLOR of North

Carolina, Mr. WRIGHT, Mr. GOODLING, Mr. HASTINGS, Mr. PREYER, Mr. ROBERTS, Mr. BOB WILSON, Mr. BROWN of Michigan, Mr. HUBER, and Mr. LANDGREBE):

H.R. 10663. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WYMAN (for himself, Mr. CRANE, Mrs. GREEN of Oregon, Mr. HARRINGTON, Mr. HEDNUT, Mr. HUTCHINSON, Mr. MYERS, Mr. O'BRIEN, Mr. CHARLES WILSON of Texas, Mr. EDWARDS of Alabama, Mr. WILLIAMS, Mr. McCOLLISTER, Mr. CLEVELAND, Mr. ARCHER, Mr. TOWELL of Nevada, Mr. HOSMER, Mr. SEIBERLING, Mr. COLLIER, Mr. RONCALLO of New York, Mr. SCHERLE, Mr. FINDLEY, Mr. MELCHER, and Mr. ROBERT W. DANIEL, JR.):

H.R. 10664. A bill to amend the National Traffic and Motor Vehicle Act of 1966 to prohibit the Secretary of Transportation from imposing seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. BOOGS:

H.R. 10665. A bill to authorize the establishment of the Jean Lafitte National Historical Park in the State of Louisiana, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BREAUX:

H.R. 10666. A bill to amend the Internal Revenue Code of 1954 to provide an individual tax credit for disaster evacuation expenses; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 10667. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 10668. A bill to amend title 5, United States Code, to improve the administration of the provisions thereof relating to compensation for Government employee work injuries through the establishment of medical review boards to review occupational disease claims, and for other purposes; to the Committee on Education and Labor.

By Mr. ERLENBORN (for himself and Mr. FINDLEY):

H.R. 10669. A bill to revise the Welfare and Pension Plans Disclosure Act, and to strengthen and improve the private retirement system by establishing minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, and for other purposes; to the Committee on Education and Labor.

By Mr. FRENZEL (for himself, Mr. BERGLAND, Mr. BREAUX, Mr. BROWN of California, Mr. EVANS of Colorado, Mr. FRELINGHUYSEN, Mr. GILMAN, Mr. GUDE, Mr. HARRINGTON, Mr. KEMP, Mr. LENT, Mr. MCKINNEY, Mr. NELSEN, Mr. OBEY, Mr. RANGEL, Mr. REES, Mr. REGULA, Mr. ROE, Mr. SCHNEEBELI, Mr. SEIBERLING, Mr. STARK, Mr. VEYSEY, Mr. WILLIAMS, and Mr. ZWACH):

H.R. 10670. A bill to require the Secretary of the Interior to compile and keep current a mineral fuel reserves inventory; to the Committee on Interior and Insular Affairs.

By Mr. GOLDWATER:

H.R. 10671. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose

or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. HARVEY:

H.R. 10672. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER:

H.R. 10673. A bill to carry into effect certain provisions of the Patent Cooperation Treaty and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 10674. A bill to prohibit discrimination on the basis of sex or marital status against individuals seeking credit; to the Committee on Banking and Currency.

By Mr. KYROS:

H.R. 10675. A bill to prohibit discrimination on the basis of sex or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. McCORMACK:

H.R. 10676. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. MCKINNEY (for himself, Mr. FRENZEL, Mr. HEINZ, and Mr. KEATING):

H.R. 10677. A bill to amend the Economic Stabilization Act of 1970 to make mandatory the systematic allocation of petroleum products in accordance with the procedures established under that act; to the Committee on Banking and Currency.

By Mr. MATHIS of Georgia:

H.R. 10678. A bill to amend the Food Stamp Act of 1964, to prohibit the use of food stamps to purchase imported food; to the Committee on Agriculture.

By Mr. OWENS (for himself, Mr. AEDNOR, Mr. ASPIN, Mr. BINGHAM, Mr. COHEN, Mr. HECHLER of West Virginia, Ms. HOLTZMAN, Mr. MEZVINSKY, Mr. ROYBAL, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, Mr. TIERNAN, and Mr. UDALL):

H.R. 10679. A bill to insure that no public funds be used for the purpose of transporting chemical nerve agents to or from any military installation in the United States for storage or stockpiling purposes unless it is the sense of the Congress to do so; to the Committee on Armed Services.

By Mr. ROONEY of Pennsylvania (for himself, Mr. WOLFF, Mr. FAUNTRY, Mr. YATRON, Mr. NIX, Mr. HELSTOSKI, Mr. MORGAN, Mr. METCALFE, Mr. MOAKLEY, Mr. GUDE, Ms. HOLTZMAN, Mr. ROSENTHAL, Mr. RIEGLE, Mr. STARK, Mr. CARNEY of Ohio, and Mr. RANGEL):

H.R. 10680. A bill to amend section 402 of title 23, United States Code, to extend certain deadlines relating to apportionment of highway safety funds, and for other purposes; to the Committee on Public Works.

By Mr. SHOUP:

H.R. 10681. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. JAMES V. STANTON:

H.R. 10682. A bill to provide for increased security and protection for certain federally related housing projects; to the Committee on Banking and Currency.

H.R. 10683. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. STARK:

H.R. 10684. A bill to provide for an audit by the General Accounting Office of the Federal Reserve Board, banks, and branches, to

extend section 14(b) of the Federal Reserve Act, and to provide an additional \$60 million for the construction of Federal Reserve Bank branch buildings, and for other purposes; to the Committee on Banking and Currency.

By Mr. UDALL:

H.R. 10685. A bill to designate the Blue Range Wilderness and Apache National Forests in the States of Arizona and New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. WALDIE:

H.R. 10686. A bill to amend title III of the act of March 3, 1933, commonly referred to as the Buy American Act, with respect to determining when the cost of certain articles, materials, or supplies is unreasonable; to define when articles, materials, and supplies have been mined, produced, or manufactured in the United States; to make clear the right of any State to give preference to domestically produced goods in purchasing for public use; and for other purposes; to the Committee on Public Works.

H.R. 10687. A bill to provide certain enrollees of Federal health benefit plans coverage supplementary to parts A, and B of the medicare program with appropriate Government contribution thereto; to the Committee on Post Office and Civil Service.

By Mr. WIDNALL (by request):

H.R. 10688. A bill to improve and simplify laws relating to housing and housing assistance; to the Committee on Banking and Currency.

H.R. 10689. A bill to provide for the guarantee of private mortgage insurance; to the Committee on Banking and Currency.

By Mr. HECHLER of West Virginia:

H.R. 10690. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H.R. 10691. A bill to authorize and require the President of the United States to allocate crude oil and refined petroleum products to deal with existing or imminent shortages and dislocations in the national distribution system which jeopardize the public health, safety, or welfare; to provide for the delegation of authority; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN (for himself and Mrs. GREEN of Oregon):

H.R. 10692. A bill to implement certain recommendations of the Commission on the Organization of the government of the District of Columbia, to reorganize the governmental structure of the government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mrs. GREEN of Oregon (for herself and Mr. NELSEN):

H.R. 10693. A bill to implement certain recommendations of the Commission on the Organization of the government of the District of Columbia, and to provide self-government to inhabitants of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. PICKLE:

H.R. 10694. A bill to assure an adequate supply of freight cars for the movement of the Nation's goods, to encourage the production and acquisition of freight cars and to facilitate the efficient use of rolling stock, to provide that the Secretary of Transportation certify his approval or disapproval of plans submitted to him by grain exporters regarding their proposed use of freight cars, and amending the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TIERNAN:

H.R. 10695. A bill providing for a national technology resource study, and for other purposes; to the Committee on Science and Astronautics.

By Mr. HANSEN of Idaho:

H.J. Res. 749. Joint resolution authorizing the President to proclaim September 15 of each year as "Respect for the Aged Day"; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.J. Res. 750. Joint resolution to set aside regulations of the Environmental Protection Agency under section 206 of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works.

By Mr. EDWARDS of California:

H. Con. Res. 322. Concurrent resolution to reprint and print the corrected report of the Commission on the Bankruptcy Laws of the United States; to the Committee on House Administration.

By Mr. ROSENTHAL:

H. Con. Res. 323. Concurrent resolution expressing the sense of Congress with respect to the observance of human rights in Chile; to the Committee on Foreign Affairs.

By Mr. McCLOSKEY:

H. Res. 573. Resolution directing the Committee on the Judiciary to conduct an investigation into certain charges against the Vice President of the United States; to the Committee on Rules.

By Mr. OWENS (for himself, Mr. ANDOR, Mr. ASPIN, Mr. BINGHAM, Mr. COHEN, Mr. HECHLER of West Virginia, Ms. HOLTZMAN, Mr. MEZVINSKY, Mr. ROYBAL, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, Mr. TIERNAN, and Mr. UDALL):

H. Res. 574. Resolution to move forward toward immediate ratification of the Geneva Protocol of 1925, to request a public reevaluation of the U.S. policy which requires nerve

gas stockpiles, and to require the Department of Defense to detoxify obsolete nerve gas presently stored near Denver, Colo.; to the Committee on Armed Services.

By Mr. ROYBAL:

H. Res. 575. Resolution expressing the sense of the House with respect to Chile's violations of human rights and basic freedoms, in contravention of the United Nations Universal Declaration of Human Rights; to the Committee on Foreign Affairs.

By Mr. SANDMAN:

H. Res. 576. Resolution directing the Committee on the Judiciary to conduct an investigation into certain charges against Spiro T. AGNEW; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII,

310. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Federal funds for housing authorities; to the Committee on Banking and Currency.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS:

H.R. 10696. A bill for the relief of Mr. and Mrs. Oscar da la Santísima Trinidad Vega Narvarro; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 10697. A bill for the relief of Grant J. Merritt and Mary Merritt Bergson; to the Committee on Interior and Insular Affairs.

By Mr. GINN:

H.R. 10698. A bill for the relief of Arthur F. Andrews; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.R. 10699. A bill for the relief of Cesar DeLos Santos and his wife, Rosalinda and their children Liza, Raul, and Jona; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follow:

303. By the SPEAKER: Petition of the National Indian Economic Development Board, Cache, Okla., relative to Fort Sill Indian School lands; to the Committee on Interior and Insular Affairs.

304. Also, petition of the National Association of Attorneys General, Boston, Mass., relative to mandatory allocation of petroleum products; to the Committee on Interstate and Foreign Commerce.

## SENATE—Tuesday, October 2, 1973

The Senate met at 10:45 a.m. and was called to order by Hon. LLOYD BENTSEN, a Senator from the State of Texas.

### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Creator and Preserver of all mankind, on this "Day of Bread" we thank Thee that in the creative process Thou hast provided soil and seed and rain and sunshine; that through toil of hand and brain, the Earth has brought forth grain, and grain has been trans-

formed into flour and flour into bread; and bread from the beginning even until now has been the staff of life. As we pray, "Give us this day our daily bread" so may the family of man be fed in body and soul. Spare us from eating our own bread while indifferent to those who are without bread. Hasten the day when none shall go hungry but all shall partake of Thy marvelous bounty and live in fellowship with Thee and with one another. Feed our bodies on the bread of the oven. Feed our souls on the bread of life.

We pray in the name of the Divine Provider. 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., October 2, 1973.  
To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. LLOYD BENTSEN, a Senator from the State of Texas,