portance and utmost urgency. The June 5, 1972, grand jury of the District Court of the District of Columbia, the so-called Watergate grand jury, will expire on December 4, 1973, unless the Congress acts to extend its term.

The Watergate grand jury has been sitting for 16 months, receiving evidence and testimony related to the Watergate break-in and coverup. It has worked hard and compiled many pages of transcript. The grand jury is acquainted in detail with the many facets of the matters it has had under consideration. It would be extremely unfortunate if this grand jury were to expire and the country to lose its services.

The alternative to extending the Watergate grand jury is to let it go out of existence and to let another grand jury take up the Watergate break-in and coverup. This alternative course of action will result in a waste of time and resources. If the prosecutors do not recall the witnesses who previously testified, they will have to read or extensively summarize the transcripts of the witnesses' testimony. Considering the scope of the grand jury's work to date, either course of action will be needlessly time-consuming, costly, and inefficient.

H. R. 10937 will by statute extend the term of the Watergate grand jury until June 4, 1974, a period of 6 months. The District Court for the District of Columbia is empowered to extend the term for an additional 6 months if it finds that the grand jury will not have completed its business by June 4, 1973. Should the district court fail to extend the term, the grand jury is authorized to apply to the chief judge of the U.S. Court of Appeals for the District of Columbia Circuit for the extension. However, H.R. 10937 provides that in no event shall the term of the grand jury extend beyond December 4, 1974. The Committee on the Judiciary has been assured by the Justice Department prosecutors in charge of the Watergate matters that they will be able to complete all of their work by December 4, 1974.

H.R. 10937 will promote the just and efficient administration of justice. The legislation will permit a highly knowledgeable grand jury to continue to hear testimony and receive evidence. This will protect the interests of possible defendants, and interests of the prosecutors, and the interests of the public, for it will insure that people who are intimately acquainted with all the facts will be deciding whether to return indictments, and, if necessary, against whom to return them. This will, in turn, help restore public confidence in the efficacy and integrity of our judicial system. I urge the House to pass this legislation.

PERSONAL EXPLANATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1973

Mr. RINALDO. Mr. Speaker, in connection with the vote today on the previous question on the rule for the bill, H.R. 11104, the debt limit bill, I should like the RECORD to show that I intended to vote "nay." Because of trouble with the electronic voting machine, my vote was inadvertently recorded as "aye," and under the 15-minute rule there was unfortunately no time available to me in which to change my vote.

DEFICIT SPENDING

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1973

Mr. LUJAN. Mr. Speaker, once again I would like to address my colleagues about one of my pet peeves—the deficit spending practices of our Government.

The word "inflation" is on the tip of the tongue of every person in this country. Volumes have been written and spoken about the inflation problem but little, if anything, has been done to stop it.

I think it is long past due that the Congress be honest with itself and put the blame where it belongs—on the Congress and its apparent approval of the Government's deficit spending. The inflation is the direct result of more than 30 years of deficit spending.

The only way to begin an earnest battle against inflation is not more Government spending at the expense of increased taxes but less taxation and less Government spending.

It is a fact of life, Mr. Speaker, that there is no such thing as a free lunch either in Government or the private sector.

Our Government—with the approval of the Congress—is and has been spending $1 out of every $5 circulated in this country. That practice is not economically healthy. In fact, it is deadly.

It is not the individual earnings or the so-called tax structure causing our financial problems. The full blame must be put on the Government's policy of deficit spending. The present inflation is the price this Nation is paying for more than 30 years of unbalanced budgets. There are many Government economists who have elaborate explanations of its causes, but the explanation is very simple—for too long we have continued deficit spending, of never balancing the budget.

Yes, we can expect deficit spending during years of emergency, but our annual deficits are now greater than during wartime.

If a family or business spends more than it takes in, it soon goes broke, but the bureaucrats are trying to find a whipping boy to blame for the economic trouble—the taxpayer. I maintain that it will not work.

It is very simple to figure out that if Congress will stop deficit spending, the economy will right itself. But Congress must take the initiative.

We are obligated to every citizen and taxpayer of this country to do so. We can no longer afford, financially or morally, to continue this way. I urge every Member of the Congress to give serious thought to this problem and give it top priority in all decisionmaking. We must begin to mend our ways now—we cannot afford to wait.

HOUSE OF REPRESENTATIVES—*Thursday, November 8, 1973*

The House met at 12 o'clock noon.

The Reverend Monsignor Louis W. Albert, pastor of St. John the Evangelist Church, Silver Spring, Md., offered the following prayer:

FOR THIS DAY

Eternal God, we praise and thank You for your presence with us here and now.

From our preoccupation with fear, prejudice, and pain, we turn to You, everlasting God.

You give us life.

And beyond food to eat, water to drink, and air to breathe, You give us faith to bring us to the truth, hope to keep us going, and love to make it all worthwhile.

Create in us again this day and this hour the quality of life which is eternal, through Jesus Christ, our Lord. 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 having proceeded to reconsider the joint resolution (H.J. Res. 542) entitled "Joint resolution concerning the war powers of Congress and the President," returned by the President of the United States with his objections to the House of Representatives, in which it originated, and that the said joint resolution pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5874. An act to establish a Federal Financing Bank, to provide for coordinated and more efficient financing of Federal and federally assisted borrowings from the public, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5874) entitled "An act to establish a Federal Financing Bank, to provide for coordinated and more efficient financing of Federal and federally assisted borrowings from the public, and

for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS, Mr. MCINTYRE, Mr. TOWER, Mr. BENNETT, and Mr. BROCK to be the conferees on the part of the Senate.

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

S. Con. Res. 55. Concurrent resolution authorizing the printing of the report of the proceedings of the 46th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document.

THE REVEREND MONSIGNOR LOUIS W. ALBERT

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

Mr. GUDE. Mr. Speaker, it is my pleasure to welcome Monsignor Albert, pastor of St. John the Evangelist Church in Silver Spring, Md.

Before coming to St. John's 3 years ago, Monsignor Albert was the pastor of St. Mark's Church in Hyattsville, which he founded 17 years ago.

He was ordained in 1934 and was designated a monsignor by Pope Paul VI 2 years ago.

Monsignor Albert is a member of the diocesan board of consultors, and the priest's senate.

REQUEST FOR PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8877, DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, APPROPRIATIONS, 1974

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8877) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1974, and for other purposes.

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

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-626)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8877) "making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1974, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 8, 33, 34, 35, 38, 45, 55, 76, 77 and 78.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 9, 13, 14, 22, 23, 36, 44, 49, 52, 53, 54, 56, 59, 60, 61, 64, 66, 69, 70, 71, 74 and 82, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$70,408,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$815,975,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$853,280,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$134,565,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,000,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$551,191,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$302,915,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$45,565,500"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$159,447,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$176,778,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$130,254,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,631,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$133,472,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$710,795,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($41,500,000)"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($30,000,000)"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,121,893,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$152,404,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($32,625,000)"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($8,262,000)"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($66,300,000)"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$614,903,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,889,414,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$500,000,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$488,500,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($95,000,000)"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "$16,500,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,000,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$298,917,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$72,200,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$434,600,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$415,788,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$346,300,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 11, 16, 18, 32, 48, 51, 57, 62, 68, 75, 79 and 81.

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
GEORGE MAHON,
GARNER E. SHRIVER,
SILVIO O. CONTE
(except amendments No. 32 and No. 61),
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN L. MCCLELLAN,
ALAN BIBLE,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS,
THOMAS F. EAGLETON,
NORRIS COTTON,
MILTON R. YOUNG,
CLIFFORD P. CASE,
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8877) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: The following provision in the opening paragraph of the Senate bill, "and shall be made available for expenditure except as specifically provided by law" was not agreed to by the conferees because it was deemed to be an unnecessary restatement of existing provisions of law. It was therefore deleted without prejudice.

The conferees draw attention to the comments on pages 5 and 6 of the Senate Committee report concerning the provisions of 31 U.S. Code 701(a)(2) and P.L. 93-52.

TITLE I—DEPARTMENT OF LABOR

Manpower Administration

Amendment No. 2: Deletes appropriation of $41,032,000 for "Salaries and expenses", proposed by the House.

Amendment No. 3: Deletes appropriation of $40,000,000 for "Manpower training services" proposed by the Senate.

The conferees are agreed that funds for carrying out Title IX of the Older Americans Act and for salaries and expenses of the Manpower Administration will be considered at a later date in connection with appropriations for the manpower training programs.

Occupational Safety and Health Administration

Amendment No. 4: Appropriates $70,408,000 for "Salaries and expenses" instead of $69,318,000 as proposed by the House and $73,400,000 as proposed by the Senate. This amount provides for support of a total of 800 positions for compliance inspection, instead of 691 provided by the House and 1,100 provided by the Senate.

Departmental Management

Amendments Nos. 5 and 6: Appropriate $23,322,000 for "Salaries and expenses" as proposed by the Senate instead of $23,225,000 as proposed by the House and provide that $941,000 shall be available for the President's Committee on Employment of the Handicapped, as proposed by the Senate instead of $844,000 as proposed by the House.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health Administration

Amendments Nos. 7 and 8: Appropriate $815,975,000 for "Mental health" instead of $795,475,000 as proposed by the House and $845,475,000 as proposed by the Senate and provide that $15,000,000 shall remain available until June 30, 1975, for grants pursuant to Part A of the Community Mental Health Centers Act as proposed by the House, instead of $20,000,000 as proposed by the Senate.

The conferees are agreed that the amount in excess of the House bill is for alcoholism programs and includes $2,500,000 for training, $10,000,000 for project grants, and $8,000,000 for grants to States .

Amendment No. 9: Adjusts legal citation pertaining to "Health services planning and development" as proposed by the Senate.

Amendment No. 10: Appropriates $853,280,000 for "Health services delivery" instead of $832,030,000 as proposed by the House and $875,380,000 as proposed by the Senate. The conferees are agreed that the total appropriation includes $92,273,000 for project grants and $125,678,000 for grants to States for maternal and child health under Title V of the Social Security Act. The House bill included no funds for project grants and $217,951,000 for grants to States, and the Senate bill included $94,273,000 for project grants and $125,678,000 for grants to States. The amount in excess of the House bill includes $1,250,000 for migrant health grants, $2,000,000 for the National Health Service Corps, $3,000,000 for operation of the Public Health Service hospitals and clinics, and $15,000,000 for modernization of the hospitals. The conferees agreed to delete the $2,000,000 added by the Senate for pediatric pulmonary centers with the understanding that these centers will be funded at this level within the amount provided in the bill for the regional medical programs.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will provide that $15,000,000 of the amounts appropriated for the Public Health Service hospitals shall remain available until expended, instead of $25,000,000 as proposed by the Senate. The managers on the part of the Senate will move to agree to the amendment of the House to the amendment of the Senate. The conferees are agreed that no funds are to be used for the purpose of closing the Public Health Service hospitals.

Amendment No. 12: Appropriates $134,565,000 for "Preventive health services" instead of $127,080,000 as proposed by the House and $141,780,000 as proposed by the Senate. The conferees are agreed that the amount in excess of the House bill includes $585,000 for vaccination assistance, $200,000 for laboratory improvement, $900,000 for rodent control, $800,000 for the Arctic Health Research Center, and $5,000,000 for the construction, purchase and operation of fixed sites and mobile clinical facilities for the analysis, examination, and treatment of respiratory and pulmonary impairments in active and inactive coal miners.

Amendment No. 13: Appropriates $19,335,000 for "National health statistics" as proposed by the Senate instead of $22,821,000 as proposed by the House.

Amendment No. 14: Adjusts appropriation language for "Retirement pay and medical benefits for commissioned officers" as proposed by the Senate.

Amendment No. 15: Appropriates $12,000,000 for "Office of the Administrator" instead of $14,304,000 as proposed by the House and $7,304,000 as proposed by the Senate.

National Institutes of Health

The bill includes a total of $1,813,900,000 for the research institutes and divisions of the National Institutes of Health. These appropriations are covered by Amendments Nos. 16 through 27. This compares with the 1973 appropriation of $1,721,841,000, the 1973 operating level of $1,486,731,000, the budget estimate for 1974 of $1,531,776,000, the House bill of $1,741,271,000, and the Senate bill of $1,882,031,000. The conferees are agreed that, in general, the earmarkings included in the Senate Committee report should be used as a guideline in allocating the increases over the amounts proposed by the House, except in those instances where more specific instructions are contained in this statement.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will provide that $25,000,000 of the appropriation for "National Cancer Institute" shall remain available until June 30, 1975, instead of $50,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 17: Appropriates $551,191,500 for "National Cancer Institute" instead of $522,383,000 as proposed by the House and $580,000,000 as proposed by the Senate.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, which earmarks $4,500,000 of the amount appropriated for "National Cancer Institute" for the Norris Cotton Cancer Center.

Amendment No. 19: Appropriates $302,915,000 for "National Heart and Lung Institute" instead of $281,415,000 as proposed by the House and $320,000,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $10 million for demonstrations of emergency medical care and that special emphasis should be given to high blood pressure and hypertension control pro-

grams in the allocation of the remainder of the increase.

Amendment No. 20: Appropriates $45,565,500 for "National Institute of Dental Research" instead of $44,131,000 as proposed by the House and $47,000,000 as proposed by the Senate.

Amendment No. 21: Appropriates $159,447,000 for "National Institute of Arthritis, Metabolism and Digestive Diseases" instead of $155,894,000 as proposed by the House and $163,000,000 as proposed by the Senate.

The conferees are aware that diabetes is a prime example of a disease which affects the work of many of the Institutes. It may afflict the eyes, heart, brain, and muscular structure. The conferees urge the NIH to establish mechanisms to assure a coordinated program of research by the Institutes concerned with the various aspects of diabetes.

Amendment No. 22: Appropriates $125,000,000 for "National Institute of Neurological Diseases and Stroke" as proposed by the Senate instead of $120,073,000 as proposed by the House.

Amendment No. 23: Appropriates $114,000,000 for "National Institute of Allergy and Infectious Diseases" as proposed by the Senate instead of $112,744,000 as proposed by the House.

Amendment No. 24: Appropriates $176,778,000 for "National Institute of General Medical Sciences" instead of $175,778,000 as proposed by the House and $183,500,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House shall be used for biomedical engineering and pathology centers. The conferees are also agreed that the MARC (Minority Access to Research Careers) program should be continued and expanded.

Amendment No. 25: Appropriates $130,254,000 for "National Institute of Child Health and Human Development" instead of $125,254,000 as proposed by the House and $135,254,000 as proposed by the Senate.

Amendment No. 26: Appropriates $41,631,000 for "National Eye Institute" instead of $36,631,000 as proposed by the House and $46,631,000 as proposed by the Senate. The conferees are agreed that in the allocation of the increase over the amount proposed by the House, special attention should be given to diabetic retinopathy and macular degeneration including central serous retinopathy.

Amendment No. 27: Appropriates $133,472,000 for "Research resources" instead of $133,322,000 as proposed by the House and $134,000,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House is to be used for the support of the primate colony at Holloman Air Force Base.

Amendment No. 28: Appropriates $710,795,000 for "Health manpower" instead of $706,841,000 as proposed by the House and $731,916,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $500,000 for special project support of the Dartmouth Medical School, $2,000,000 for physician shortage area scholarships, $680,000 for family practice of medicine programs to provide a total of $10,000,000 for these programs, $2,350,000 for capitation grants for schools of nursing, $1,000,000 for nursing scholarships, and $2,200,000 for nurse traineeships. The conferees have also agreed to the Senate reduction of $4,776,000 in the amount proposed by the House for program direction.

Office of Education

Amendments Nos. 29, 30, and 31: Appropriate $2,121,893,000 for "Elementary and secondary education" instead of $2,105,393,000 as proposed by the House and $2,139,893,000 as proposed by the Senate; provide that $41,500,000 shall be for carrying out Title V, parts A and C of the Elementary and Secondary Education Act, instead of $38,000,000 as proposed by the House and $45,000,000 as proposed by the Senate; and provide that $30,000,000 shall be for carrying out Title III–A of the National Defense Education Act of 1958, instead of $25,000,000 as proposed by the House and $42,500,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $8,000,000 for bilingual education programs, $5,000,000 for school equipment, and $3,500,000 for strengthening State departments of education.

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will provide that the aggregate amounts made available to each State under Title I–A of the Elementary and Secondary Education Act for grants to local educational agencies within that State shall not be less than 90 per centum of such amounts as were made available for that purpose for fiscal year 1972, and the amount made available to each local educational agency under said Title I–A shall not be less than 90 per centum nor more than 115 per centum of the amount made available for that purpose for fiscal year 1973.

The House bill provided that the aggregate amounts made available to each State under Title I–A for grants to local education agencies within that State shall not be less than such amounts as were made available for that purpose for fiscal year 1972, and the Senate bill provided that the amounts made available to each State and local education agency under Title I–A for grants to local education agencies within that State shall not be less than 90 per centum nor more than 110 per centum of such amounts as were made available for that purpose for fiscal year 1972. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that this should only be looked upon as an interim solution to a very complex problem. Deficiencies in the present formula under which eligibility is determined must be corrected. The managers are aware that new legislation is currently being developed in the authorizing committees, and urge early appropriate action.

Amendments Nos. 33, 34, 35 and 36: Appropriate $610,000,000 for "School assistance in federally affected areas" as proposed by the House instead of $633,800,000 as proposed by the Senate; provide that $591,000,000 shall be for maintenance and operation of schools, as proposed by the House, instead of $614,800,000 as proposed by the Senate; that payments pursuant to Section 3(b) shall not exceed 68% of entitlement as proposed by the House instead of 73% as proposed by the Senate; and that not more than 50% of the amounts provided for school facilities shall be used for Section 5 of the Act, as proposed by the Senate, instead of 65% as proposed by the House.

Amendment No. 37: Appropriates $152,404,000 for "Education for the handicapped" instead of $143,609,000 as proposed by the House and $159,069,000 as proposed by the Senate.

The increase over the amount proposed by the House includes $4,795,000 for centers for deaf-blind children, and $4,000,000 for the training of teachers for the handicapped.

Amendments Nos. 38, 39, 40, 41, and 42: Appropriate $614,903,000 for "Occupational, Vocational, and Adult Education" instead of $600,641,000 as proposed by the House and $651,558,000 as proposed by the Senate, including $444,682,000 for parts B and C of the Vocational Education Act of 1963, as proposed by the House instead of $468,000,000 as proposed by the Senate; $32,625,000 for consumer and homemaking programs under part F, instead of $25,625,000 as proposed by the House and $40,000,000 as proposed by the Senate; $8,262,000 for work-study programs under part H, instead of $6,000,000 as proposed by the House and $10,524,000 as proposed by the Senate; and $66,300,000 for the Adult Education Act of 1966, instead of $61,300,000 as proposed by the House and $70,000,000 as proposed by the Senate.

Amendments Nos. 43, 44, 45, 46, and 47: Appropriate $1,889,414,000 for "Higher education" instead of $1,808,914,000 as proposed by the House and $2,025,914,000 as proposed by the Senate; provide that $210,300,000 for supplemental education opportunity grants shall remain available through June 30, 1975, as proposed by the Senate; earmark $25,000,000 for veterans cost-of-instruction payments as proposed by the House, instead of $50,000,000 as proposed by the Senate; and earmark $500,000,000 for basic opportunity grants instead of $440,500,000 as proposed by the House and $600,000,000 as proposed by the Senate, of which $488,500,000 shall remain available through June 30, 1976, instead of $429,000,000 as proposed by the House and $588,500,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $59,500,000 for basic opportunity grants, $20,000,000 for State student incentive grants, and $1,000,000 for foreign language and area studies.

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, which provides that amounts for basic opportunity grants shall be available only for full-time students at institutions of higher education who were not enrolled as regular students at such institutions prior to April 1, 1973.

Amendment No. 49: Deletes citation of Title II of the Library Services and Construction Act, as proposed by the Senate.

Amendment No. 50: Earmarks $95,000,000 of the amount appropriated for "Library resources" for Title II of the Elementary and Secondary Education Act instead of $90,000,000 as proposed by the House and $100,000,000 as proposed by the Senate.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment which will appropriate $171,709,000 for "Library resources" instead of $176,209,000 as proposed by the House and $176,709,000 as proposed by the Senate, and delete language proposed by the House, which would have provided $9,500,000 for public library construction, to remain available through June 30, 1975. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 52, 53, 54, 55, and 56: Insert citation of Title IX of the Elementary and Secondary Education Act, as proposed by the Senate, and earmark $48,660,000 of the appropriation for "Educational development" for part D of the Education Professions Development Act, as proposed by the Senate, instead of $53,660,000 as proposed by the House, $2,100,000 for part E as proposed by the House instead of $5,100,000 as proposed by the Senate, and $11,860,000 for part F, as proposed by the Senate, instead of $6,900,000 as proposed by the House.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will appropriate $157,170,000 for "Educational development" instead of $161,110,000 as proposed by the House, and $163,670,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The following table sets forth the conference agreement and other pertinent statistics:

EDUCATIONAL DEVELOPMENT

[Dollars in thousands]

Activity	1973 appropriation	1973 operating level	1974 budget request	1974 House allowance	1974 Senate allowance	1974 conference agreement
Education professions development:						
(a) Teacher corps	$37,500	$37,500	$37,500	$37,500	$37,500	$37,500
(b) Long-term training	5,930	5,930				
(c) Elementary and secondary development	54,660	54,660	30,875	53,660	48,660	48,660
(d) Vocational education	11,860	11,860		6,900	11,860	11,860
(e) New careers in education	500	500		300	300	300
(f) Higher education	8,000	8,000	2,100	2,100	5,100	2,100
Subtotal	118,450	118,450	70,475	100,460	103,420	100,420
National priority programs:						
(a) Educational technology demonstrations:						
(1) Educational broadcasting facilities	13,000	13,000	13,000	13,000	20,000	16,500
(2) Sesame Street-Electric Company	7,000	6,000	3,000	3,000	5,000	3,000
(b) Drug abuse education	12,400	12,400	3,000	12,400	3,000	6,000
(c) Right to read	12,000	12,000	12,000	12,000	12,000	12,000
(d) Environmental education	4,000	3,180		4,000	2,000	2,000
(e) Nutrition and health	2,500	2,000		2,000	2,000	2,000
(f) Dropout prevention	10,000	8,500	4,000	4,000	4,000	4,000
(g) Ethnic heritage studies					5,000	2,500
Subtotal	60,900	57,080	35,000	50,400	53,000	48,000
Data systems improvement:						
(a) Educational statistics:						
(1) Surveys and special studies	$6,900	$4,250	$7,400	$4,250	$4,250	$4,250
(2) Common core of data			500			
Subtotal	6,900	4,250	7,900	4,250	4,250	4,250
(b) National achievement study	7,000	6,000	7,000	6,000	3,000	4,500
Total	193,250	185,780	120,375	161,110	163,670	157,170

Amendment No. 58: Provides that $16,500,000 of the appropriation for "Educational development" shall be for educational broadcasting facilities instead of $13,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 59: Appropriates $1,000,000 for "Educational activities overseas (special foreign currency program)" as proposed by the Senate instead of $2,000,000 as proposed by the House.

Amendment No. 60: Appropriates $86,747,000 for "Salaries and expenses" as proposed by the Senate instead of $83,118,000 as proposed by the House.

National Institute of Education

Amendment No. 61: Appropriates $75,000,000 for "National Institute of Education" as proposed by the Senate instead of $142,671,000 as proposed by the House.

Social and Rehabilitation Service

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will appropriate $12,853,279,000 for "Grants to States for Public Assistance" instead of $12,891,048,000 as proposed by the House and $12,864,279,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conferees are agreed that the change from the amount proposed by the House includes a reduction of $41,769,000 for maintenance assistance and an increase of $4,000,000 for child welfare services.

Amendment No. 63: Earmarks $50,000,000 for child welfare services instead of $46,000,000 as proposed by the House and $61,000,000 as proposed by the Senate.

Amendment No. 64: Appropriates $340,443,000 for "Work incentives" as proposed by the Senate instead of $384,434,000 as proposed by the House.

Amendment No. 65: Appropriates $298,917,000 for "Social and rehabilitation services" instead of $291,717,000 as proposed by the House and $307,217,000 as proposed by the Senate. The conferees are agreed that the increase over the amount proposed by the House includes $5,200,000 for nutrition programs for the elderly, and $2,000,000 for training programs in the field of aging.

Amendment No. 66: Deletes appropriation of $2,000,000 proposed by the House for "Research and training activities overseas (special foreign currency program)".

Amendment No. 67: Appropriates $72,200,000 for "Salaries and expenses" instead of $78,800,000 as proposed by the House and $70,000,000 as proposed by the Senate. The conferees are agreed that the increase of $2,200,000 over the amount proposed by the Senate may be used to support up to 200 of the 725 additional positions proposed in the budget and the House bill.

Social Security Administration

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which permits an agreement between the United States and the United Kingdom relating to the administration of the social insurance programs of the two countries.

Special Institutions

Amendment No. 69: Appropriates $3,975,000 for "Model Secondary School for the Deaf" as proposed by the Senate instead of $3,962,000 as proposed by the House.

Amendment No. 70: Appropriates $10,599,000 for "Gallaudet College" as proposed by the Senate instead of $10,492,000 as proposed by the House.

Amendment No. 71: Appropriates $58,784,000 for "Howard University" as proposed by the Senate instead of $57,873,000 as proposed by the House.

Office of Child Development

Amendments Nos. 72 and 73: Appropriate $434,600,000 for "Child development" instead of $419,100,000 as proposed by the House and $450,100,000 as proposed by the Senate, and earmark $415,788,000 for Head Start instead of $400,288,000 as proposed by the House and $431,288,000 as proposed by the Senate.

Office of the Secretary

Amendment No. 74: Appropriates $107,898,000 for "Departmental management" as proposed by the Senate, instead of $120,198,000 as proposed by the House.

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides that not to exceed $10,000,000 may be transferred to the appropriation for "Departmental management" as reimbursement for reductions in funds for public affairs activities. The conferees will expect that the Department will consult with appropriate congressional committees prior to discontinuing any publications.

General Provisions

Amendment No. 76: Deletes Section 210 proposed by the Senate which would have provided for a contract with the District of Columbia to continue the Upward Mobility College. The General Accounting Office originally ruled that existing law prohibits contracts between the Federal Government and the D.C. Government; however, it later made an exception to permit the Upward Mobility program to continue for one more year, with the expectation that a change in the D.C. law would be sought. The problem addressed by the Senate language no longer exists for fiscal year 1974 and, therefore, the Senate language has been deleted without prejudice.

Amendment No. 77: Deletes Section 211 proposed by the Senate which would have prohibited the use of funds for appropriations other than the appropriation for "Departmental management" to support the activities of "Departmental management" and would have provided that no funds contained in the appropriation for "Departmental management" may be used to support Federal positions in excess of the aggregate number of such positions authorized in the bill.

Amendment No. 78: Deletes Section 212 proposed by the Senate which would have prohibited the use of funds to pay compensation of persons in any of the Department's regional offices for carrying out duties of the Office of Education carried out in Washington, D.C. prior to June 1, 1973, unless prior approval is obtained from Congressional committees. The Senate amendment reflected concern about the Office of Education's actions in "regionalizing" the administration of education programs and restricted the payment of salaries to persons employed in carrying out regionalization plans. The conferees have determined that, at this time, barring the payment of such salaries is not an appropriate mechanism for countering massive regionalization and reorganizations which have not been discussed in advance with Congress. However, the Office of Education should take note of these concerns and refrain from regionalizing or reorganizing the administration of education programs without prior consultation with both the authorization and appropriation committees of both houses of Congress.

TITLE III—RELATED AGENCIES

Corporation for Public Broadcasting

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will appropriate $50,000,000 for "Payment to the Corporation for Public Broadcasting" instead of $55,000,000 proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Office of Economic Opportunity

Amendment No. 80: Appropriates $346,300,000 for "Economic opportunity program" instead of $333,800,000 as proposed by the House and $358,800,000 as proposed by the Senate.

Given the role of OEO as an experimental and demonstration agency for developing innovative approaches to solving the problems of poverty and recognizing that no Sec. 232 R&D monies are appropriated, the conference would call the Director's attention to his flexibility under Sec. 616 for these purposes.

TITLE IV—GENERAL PROVISIONS

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts Section 409 providing that funds for payment of consultants shall not exceed the fiscal year 1973 level and requires a semi-annual report on payments to consultants in excess of $25,000.

Amendment No. 82: Inserts Section 410 proposed by the Senate to prohibit the use of funds for publicity or propaganda to influence legislation pending before Congress except in presentation to Congress itself.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1974 recommended by the Committee of Conference, with comparisons to the fiscal year 1973 amount, the 1974 budget estimate, and the House and Senate bills follows:

New budget (obligational) authority, fiscal year 1973	$83,639,371,260
Budget estimates of new (obligational) authority, fiscal year 1974	31,549,953,000
House bill, fiscal year 1974	32,816,467,000
Senate bill, fiscal year 1974	33,396,379,000
Conference agreement	32,926,796,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1973	−712,575,260
Budget estimates of new (obligational) authority, fiscal year 1974	+1,376,843,000
House bill, fiscal year 1974	+110,329,000
Senate bill, fiscal year 1974	−469,583,000

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
GEORGE MAHON,
GARNER E. SHRIVER,
SILVIO O. CONTE
(except amendments No. 32 and No. 61),
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN L. MCCLELLAN,
ALAN BIBLE,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS,
THOMAS F. EAGLETON,
NORRIS COTTON,
MILTON R. YOUNG,
CLIFFORD P. CASE,
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS,
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

REQUEST FOR PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8916, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, APPROPRIATIONS, 1974

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary and related agencies for the fiscal year ending June 30, 1974.

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

There was no objection.

CONFERENCE REPORT (H. REPT. 93-625)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8916) "making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 7, 14, 15, 19, 20, 21, 38, 47, and 49.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 6, 12, 13, 16, 17, 18, 22, 23, 25, 28, 29, 31, 32, 33, 34, 35, 43, and 54, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,200,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$200,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,700,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$49,800,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "of which not less than $2,000,000 shall be used for payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,700,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$341,642,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$83,450,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,500,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,735,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,000,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,100,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$196,000,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 24, 26, 27, 30, 37, 39, 46, and 50.

JOHN J. ROONEY,
JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT, JR.
(except as to Nos. 5, 45, and 48),
ROBERT L. F. SIKES
(except as to Nos. 5, 45, and 48),
GEORGE MAHON,
E. A. CEDERBERG,
MARK ANDREWS,
WENDELL WYATT,
Managers on the Part of the House.

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. W. FULBRIGHT,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
NORRIS COTTON,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: The following provision in the opening paragraph of the Senate bill, "and shall be made available for expenditure except as specifically provided by law" was not agreed to by the conferees because it was deemed to be an unnecessary restatement of existing provisions of law. It was therefore deleted without prejudice.

TITLE I—DEPARTMENT OF STATE

Administration of Foreign Affairs

Salaries and Expenses

Amendment No. 2: Appropriates $302,800,000 as proposed by the Senate instead of $282,500,000 as proposed by the House.

Representation Allowances

Amendment No. 3: Appropriates $1,200,000 instead of $1,125,000 as proposed by the House and $1,263,000 as proposed by the Senate.

Acquisition, Operation, and Maintenance of Buildings Abroad

(Special Foreign Currency Program)

Amendment No. 4: Appropriates $5,138,000 as proposed by the Senate instead of $5,038,000 as proposed by the House.

International Organizations and Conferences

Contributions to International Organizations

Amendment No. 5: Appropriates $200,000,000 instead of $202,287,000 as proposed by the House and $185,357,750 as proposed by the Senate. The reduction of $2,287,000 from the budget request shall be applied to the contribution to the International Labor Organization.

Missions to International Organizations

Amendment No. 6: Appropriates $5,725,000 as proposed by the Senate instead of $5,525,000 as proposed by the House.

International Conferences and Contingencies

Amendment No. 7: Appropriates $4,500,000 as proposed by the House instead of $4,800,000 as proposed by the Senate.

International Trade Negotiations

Amendment No. 8: Appropriates $1,700,000 instead of $1,500,000 as proposed by the House and $1,743,000 as proposed by the Senate.

Educational Exchange

Mutual Educational and Cultural Exchange Activities

Amendment No. 9: Appropriates $49,800,000 instead of $47,800,000 as proposed by the House and $51,800,000 as proposed by the Senate.

Amendment No. 10: Provides that not less than $2,000,000 shall be used for payments in excess foreign currencies instead of $2,500,000 as proposed by the House.

Center for Cultural and Technical Interchange Between East and West

Amendment No. 11: Appropriates $6,700,000 instead of $6,500,000 as proposed by the House and $6,860,000 as proposed by the Senate.

Other

Payment to International Center, Washington, District of Columbia

Amendment No. 12: Appropriates $2,200,000 as proposed by the Senate.

Payment to the Republic of Panama

Amendment No. 13: Deletes provision in the bill as passed the House making availability of funds contingent upon enactment of authorizing legislation.

General provisions—Department of State

Amendment No. 14: Deletes Senate provision making availability of funds in title I contingent upon the enactment of authorizing legislation.

Amendment No. 15: The language of the Senate was deleted without prejudice.

TITLE II—DEPARTMENT OF JUSTICE

Legal Activities and General Administration

Salaries and expenses, General Administration

Amendment No. 16: Appropriates $15,834,000 as proposed by the Senate instead of $19,100,000 as proposed by the House.

Amendment No. 17: Provides $2,800,000 for the Watergate Special Prosecution Force as proposed by the Senate.

Salaries and Expenses, General Legal Activities

Amendment No. 18: Appropriates $50,111,000 as proposed by the Senate instead of $47,200,000 as proposed by the House.

Salaries and Expenses, Antitrust Division

Amendment No. 19: Appropriates $13,019,000 as proposed by the House instead of $14,019,000 as proposed by the Senate.

Salaries and Expenses, Community Relations Service

Amendment No. 20: Appropriates $2,818,000 as proposed by the House instead of $3,818,000 as proposed by the Senate.

Federal Bureau of Investigation

Salaries and Expenses

Amendment No. 21: Deletes Senate provision relating to exchange of identification records inasmuch as the language contained in Public Law 92-544 is still in effect. The Conferees understand that this matter is before the Judiciary Committees of the House and the Senate and urge expeditious consideration thereof.

Immigration and Naturalization Service

Salaries and expenses

Amendment No. 22: Deletes language in the bill as passed the House relating to detention of alien enemies.

Law Enforcement Assistance Administration

Salaries and Expenses

Amendment No. 23: Appropriates $870,675,000 as proposed by the Senate instead of $866,000,000 as proposed by the House.

Drug Enforcement Administration

Salaries and Expenses

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $107,230,000.

Bureau of Narcotics and Dangerous Drugs

Salaries and Expenses

Amendment No. 25: Deletes entire paragraph as proposed by Senate due to reorganization plan.

General Provisions—Department of Justice

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which places a dollar ceiling on reimbursement by the District of Columbia to the United States of expenditures for the offices of the U.S. attorney and the U.S. marshal for the District of Columbia.

TITLE III—DEPARTMENT OF COMMERCE

General Administration

Administration of Economic Development Assistance Programs

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $19,000,000.

Social and Economic Statistics Administration

Periodic Censuses and Programs

Amendment No. 28: Appropriates $17,800,000 as proposed by the Senate instead of $14,800,000 as proposed by the House.

Consideration should be given by the Office of Management and Budget to placing future requests for appropriations for special information and censuses in the budget of the Department or Agency requesting the information such as the Department of the Treasury and the Department of Agriculture.

Economic Development Administration

Amendment No. 29: Inserts heading.

Development Facilities

Amendment No. 30: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $159,000,000 and deleting the following proviso: "*Provided further*, That none of the above amounts shall be subject to the restrictions of the last sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Industrial Development Loans and Guarantees

Amendment No. 31: Appropriates $5,000,000 as proposed by the Senate.

Planning, Technical Assistance, and Research

Amendment No. 32: Appropriates $20,000,000 as proposed by the Senate.

Regional Action Planning Commissions

Regional Development Programs

Amendment No. 33: Appropriates $42,000,000 as proposed by the Senate.

Domestic and International Business Administration

Salaries and Expenses

Amendment No. 34: Appropriates $49,000,000 as proposed by the Senate instead of $48,500,000 as proposed by the House.

Amendment No. 35: Provides that $15,212,000 shall remain available for international business activities until June 30, 1975 as proposed by the Senate instead of $15,033,000 as proposed by the House.

National Oceanic and Atmospheric Administration

Operations, Research, and Facilities

Amendment No. 36: Appropriates $341,642,000 instead of $340,368,000 as proposed by the House and $342,916,000 as proposed by the Senate.

Coastal Zone Management

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $12,000,000 instead of $15,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Science and Technology

Scientific and Technical Research and Services

Amendment No. 38: Deletes language as proposed by the Senate placing a limitation on the funds available for direct support of the Office of Telecommunications Policy. The conferees are agreed that all the funds for that Office should be budgeted in one item.

TITLE IV—THE JUDICIARY

Supreme Court of the United States

Care of the Building and Grounds

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that not to exceed $75,000 of fiscal year 1973 funds continue available until June 30, 1974.

Courts of Appeals, District Courts, and Other Judicial Services

Salaries of Supporting Personnel

Amendment No. 40: Appropriates $83,450,000 instead of $83,372,000 as proposed by the House and $83,522,000 as proposed by the Senate.

Representation by Court-Appointed Counsel and Operation of Defender Organizations

Amendment No. 41: Appropriates $16,500,000 instead of $15,500,000 as proposed by the House and $17,500,000 as proposed by the Senate.

Amendment No. 42: Provides that not to exceed $1,000,000 of the funds contained in this title shall be available for compensation and reimbursement of expenses of attorneys appointed by judges of the District of Columbia Court of Appeals or by judges of the Superior Court of the District of Columbia instead of $2,000,000 as proposed by the Senate. The conferees are agreed that any subsequent funding for this purpose shall be by the District of Columbia.

TITLE V—RELATED AGENCIES

American Battle Monuments Commission

Salaries and Expenses

Amendment No. 43: Corrects printing error.

Arms Control and Disarmament Agency

Arms Control and Disarmament Activities

Amendment No. 44: Appropriates $7,735,000 instead of $6,935,000 as proposed by the House and $7,935,000 as proposed by the Senate.

Commission on Civil Rights

Salaries and Expenses

Amendment No. 45: Appropriates $5,700,000 instead of $5,566,000 as proposed by the House and $5,814,000 as proposed by the Senate.

Commission on the Organization of the Government for the Conduct of Foreign Policy

Salaries and Expenses

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $1,050,000 instead of $1,100,000 as proposed by the Senate. The House amendment will also delete language of the Senate providing not to exceed $6,000 for official reception and representation expenses.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Equal Employment Opportunity Commission

Salaries and Expenses

Amendment No. 47: Provides not to exceed $1,700,000 for payments to State and local agencies as proposed by the House instead of $4,600,000 as proposed by the Senate.

Amendment No. 48: Appropriates $43,000,000 instead of $40,000,000 as proposed by the House and $46,934,000 as proposed by the Senate.

Marine Mammal Commission

Salaries and Expenses

Amendment No. 49: Appropriates $412,000 as proposed by the House instead of $825,000 as proposed by the Senate.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that not to exceed $1,725 shall be available for expenses incurred in fiscal year 1973.

Tariff Commission

Salaries and Expenses

Amendment No. 51: Appropriates $7,100,000 instead of $7,000,000 as proposed by the House and $7,300,000 as proposed by the Senate.

United States Information Agency

Salaries and expenses

Amendment No. 52: Appropriates $196,000,000 instead of $202,000,000 as proposed by the House and $190,077,500 as proposed by the Senate.

Salaries and expenses (special foreign currency program)

Amendment No. 53: Appropriates $6,000,000 instead of $7,008,000 as proposed by the House and $5,208,000 as proposed by the Senate.

Acquisition and construction of radio facilities

Amendment No. 54: Appropriates $1,000,000 as proposed by the Senate instead of $6,000,000 as proposed by the House.

Conference total—with comparisons

The total new budget (obligational) authority for the fiscal year 1974 recommended by the Committee of Conference with comparisons to the fiscal year 1973 amount, the 1974 budget estimate, and the House and Senate bills for 1974 follows:

New budget (obligational) authority, fiscal year 1973	$6,779,093,850
Budget estimates of new (obligational) authority, fiscal year 1974	[1] 4,522,901,000
House bill, fiscal year 1974	4,152,946,000
Senate bill, fiscal year 1974	4,459,478,250
Conference agreement	4,466,012,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1973	−2,313,081,850
Budget estimates of new (obligational) authority, fiscal year 1974	−56,889,000
House bill, fiscal year 1974	+313,066,000
Senate bill, fiscal year 1974	+6,533,750

[1] Includes $267,821,000 in budget amendments not considered by the House.

JOHN J. ROONEY,
JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT, Jr.
(except as to Nos. 5, 45, and 48),
ROBERT L. F. SIKES
(except as to Nos. 5, 45, and 48),
GEORGE MAHON,
E. A. CEDERBERG,
MARK ANDREWS,
WENDELL WYATT,
Managers on the Part of the House.

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. W. FULBRIGHT,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
NORRIS COTTON,
MILTON R. YOUNG,
Managers on the Part of the Senate.

FOREST AND RANGELAND ENVIRONMENTAL MANAGEMENT ACT OF 1973

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

Mr. RARICK. Mr. Speaker, yesterday I introduced H.R. 11320 the "Forest and Rangeland Environmental Management Act of 1973."

Joining with me in introducing this legislation were our colleagues Mrs. HANSEN, Mr. SIKES, Mr. EVANS of Colorado, Mr. GUNTER, Mr. BERGLAND, Mr. WYATT, Mr. BAKER, Mr. THONE, Mr. SYMMS, Mr. SISK, and Mr. HICKS.

The distinguished Senator from Minnesota HUBERT HUMPHREY introduced similar legislation as an amendment in nature of a substitute to S. 2291.

As you know, Mr. Speaker, the President's Advisory Panel on Timber and the Environment has made numerous recommendations concerning management of our forests and rangelands. Among the most publicized of these recommedations are a call for increased timber harvests on our Nation's forest lands and a better program of forest management that recognizes "the long-term nature of forestry" which is "based upon sound economic concepts of intensive forest management."

This legislation is designed to give the Forest Service of the Department of Agriculture the tools and means of accomplishing the announced goals set forth by the President's Panel on Timber and the Environment. The thrust of the legislation is toward the establishment of a comprehensive system of long-range planning which will place "the renewable resources of the National Forest System in an operating posture whereby all backlogs of needed treatment for their restoration shall be reduced to a current basis and the major portion of planned intensive management procedures shall be installed and operating on an environmentally sound basis" by the year 2000.

Mr. Speaker, our Nation's forest system is, as you know, extremely important to our well-being, both economically and as a source of recreation and inspiration. We do, in fact, need to achieve maximum timber production; however, we must not allow this to occur without taking the necessary steps to protect our environment and preserve our heritage.

This legislation will be a major step toward this goal of maximum timber production while protecting our forests and rangeland environment as a source of recreation.

I urge our colleagues to join with us in support of this worthwhile legislation.

THE MILITARY ALL-VOLUNTEER CONCEPT—NINTH SEGMENT

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

Mr. MONTGOMERY. Mr. Speaker, to

continue my 1 minute on the Reserve Forces and the volunteer concept, it would seem to me that the Committees on Armed Services in both Houses and the Pentagon should send a representative group to study the Reserve and National Guard programs of Israel, Egypt, Jordan, and Syria.

I am more familiar with the Reserve Forces of Israel. In 3 days Israel went from a standing army of 11,500 to calling up 275,000 reservists, which in effect, turned the tide of the battle.

I know that there are studies which are being made in the Pentagon to reorganize the Reserve Forces, and we, of course, need to update our military forces on a continuous basis.

Mr. Speaker, it makes sense to me that it is necessary to go where the action is and to find out the latest use of the citizen soldier.

MEETING THE GOALS MADE NECESSARY BY THE FUEL CRISIS

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

Mr. WRIGHT. Mr. Speaker, the President is to be congratulated upon recognizing the serious import of the energy shortage. I am sure that Congress will do all those things which are necessary to make possible the realization of the broad goals enunciated in his broadcast last night.

In fact, Congress already is well along in the enactment of remedial legislation.

Last April we enacted legislation authorizing the President to exercise mandatory allocation of fuels. He now is acting under that authority.

Both Houses have passed the Alaska pipeline bill. That legislation will be on the President's desk in a matter of days.

Both Houses have passed legislation authorizing public mass transportation on facilities to receive operating subsidies, and it is hoped that the President will sign that bill.

In the highway bill we provided $3 billion in matching funds for capital investments in mass transportation.

In that bill we also provided encouragement for the States to reduce speed limits, for purposes of energy conservation as well as safety.

The Committee on Public Works for several years has been working on legislative authorizations for deep-water ports in the Gulf of Mexico to permit supertankers to off-load oil from friendly countries for domestic refineries.

As our colleague, the gentleman from California (Mr. HOLIFIELD), chairman of the Committee on Government Operations, will explain, that committee is busily engaged right now in drafting legislation that will create a special agency to give coordinated emphasis to energy needs.

In these and other ways, Congress has been active in promoting legislation to meet the Nation's energy requirements.

MEETING THE ENERGY CRISIS

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

Mr. HOLIFIELD. Mr. Speaker, yesterday the President had a meeting of the leadership of both Houses, and several additional Members were invited. I was privileged to attend this meeting.

The meeting lasted for 2 hours, and it had to do with the energy crisis. I remember the President said that what was considered a problem a few months ago has now turned into a crisis, and he gave the reasons for that.

He also covered several topics in his speech last night—and I listened to his speech very carefully; it covered a wide latitude of subjects in the energy field—and among those were the following words:

> Because of the urgent need for an organization that would provide focused leadership for this effort, I am asking Congress to consider my proposal for an energy research and development administration separately from any other organizational matters.

Such a bill has been before the Committee on Government Operations since June 29, 1973. We have been holding hearings on this subject, and in view of the increased urgency, advocated by the President yesterday. I want to pledge my intention to proceed with the consideration of this legislation on a priority basis.

The gentleman from Illinois (Mr. PRICE), the chairman of the Joint Committee on Atomic Energy, has also expressed to me an interest in moving ahead with this legislation, in view of the fact that it has a major impact on the present functions of the Atomic Energy Commission and the Joint Committee on Atomic Energy.

There will be complete coordination between the House Committee on Government Operations of the Joint Committee on Atomic Energy and other pertinent committees.

TRANS-ALASKAN PIPELINE LEGISLATION

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

Mr. MELCHER. Mr. Speaker, much of the time that was consumed in the meetings on and getting the Alaskan pipeline bill through the House Committee on Interior and Insular Affairs was in order to give consideration to the positions of the Department of the Interior and the Department of State. We gave them the courtesy of the added time because they came up with different ideas and different points at different times.

They were admittedly, by their own admission, responsible for much of our delay. I am not criticizing them for that because it seemed to be necessary as they did their own work, but after the conference committee had completed its meetings a couple of weeks ago objections were raised by several administration officials to several points in the bill. Again we attempted to accommodate where we could. That also took some consideration and time from the conference committee's work.

Yesterday the Senate wanted the bill to pass, and it was in session for that very purpose. However, because of the prerogative of the House of having the right to have a motion to recommit offered on the minority side, the House conferees resisted and refused the Senate request.

When we asked for unanimous consent to consider the bill on yesterday we did not get it, nor did we get unanimous consent to consider the bill today.

I think the President's criticism of the Congress last night on nationwide television concerning the trans-Alaskan pipeline bill was unwarranted. I think it would be better before he makes a blanket criticism of that nature, which, after all, reaches into all of the congressional districts of this country, whether they be Republican or Democrat, it would behoove the President and his White House staff to communicate his strong desires to all of the Members of the House and in particular to those on his own side, the Republican Members of the House.

CONFIRMATION OF GERALD FORD CALLED FOR AS SOON AS POSSIBLE

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

Mr. SISK. Mr. Speaker, maybe I was just a bit premature yesterday in commending the Committee on the Judiciary—and I do not mean to be critical now—but I was urging then expeditious action in connection with the confirmation of the nominee for Vice President.

Again today I want to urge expeditious action on this matter. I do not mean that he should not be properly investigated and handled in an orderly manner, but it seems to me this is a matter that should be handled this month.

I was quite concerned to understand that there was some discussion about a delay until December. I do not see the necessity of that. It seems to me in view of the actions of the other body this is a matter that we should handle this month, and I certainly hope before we go home for a Thanksgiving Day recess.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON H.R. 11333, SOCIAL SECURITY BENEFITS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Friday, November 9, 1973, to file a report on the bill, H.R. 11333, to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes, along with any separate and/or minority views.

CONGRESSIONAL RECESS

(Mr. PEYSER asked and was given permission to address the House for 1 minute, to revise and extend his re-

marks, and to include extraneous matter.)

Mr. PEYSER. Mr. Speaker, I understand a recess is being proposed for the Thanksgiving holiday. As much as I should like to be back in my own district, I feel, for a number of reasons that will be stated today, that we should not recess at this time. One of the reasons is the fact that the Elementary and Secondary Education Act is still in our committee, and we are now working daily to get this vital bill to the floor. This bill will affect the future education of young people in our country for years to come, and we should not leave until we have concluded this and other important legislation. I hope that we will not have a prolonged recess at this time and that we can continue the work of the House.

CONGRESSIONAL RECESS

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

Mr. LUJAN. Mr. Speaker, the leadership of the House has proposed a 10-day recess for the Thanksgiving holiday. I think that such a proposal is completely out of order when there is still so much important work to be done.

Last night, President Nixon addressed the country on the energy crisis facing us. If you will recall, the President forewarned us here in Congress of this problem last April 19 and we have been personally aware of it too.

The President has asked Congress to act on a number of legislative proposals that he has submitted, which are desperately needed if we are to improve our long-term energy situation.

To date, what have we done? Very little. Yet, there is consideration given to a 10-day recess.

Mr. Speaker, I cannot raise my voice loud enough to say that we do indeed have a serious energy crisis at hand and that we must act now on some of these important legislative matters.

The Alaskan pipeline, Natural Gas Supply Act, deepwater port facilities, and the funding of R. & D. money are what we—here in the House—should be considering, instead of a 10-day recess.

Mr. Speaker, every day that goes by, every day that passes without congressional decision in regards to the energy crisis, only brings us closer to more troubled times. If we are ever going to show this country that we have its best interest at heart—we must act now.

I do believe the energy crisis can be solved but only when this body takes the leadership of acting on the proposals that are now before us.

Mr. Speaker, I will oppose a motion to adjourn for 10 days.

CONGRESSIONAL RECESS

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

Mr. HASTINGS. Mr. Speaker, I join with my two colleagues who have previously addressed the House in relation to the proposed or rumored recess. I should like to take this opportunity to commend the gentleman from West Virginia (Mr. STAGGERS), who has, in response to the President's energy message of last evening, scheduled full committee hearings of the Committee on Interstate and Foreign Commerce for next week, Tuesday, for consideration of the proposal to provide for daylight saving time on a 2-year trial basis, on Wednesday for the consideration of emergency fuel shortage legislation—that will be considered next week at hearings—and a markup is scheduled for Thursday.

With this in mind, I find that a 10-day recess the following week, with the Committee on Interstate and Foreign Commerce commendably having taken such action, is completely unacceptable. If that motion to recess is made, I will join with many others to oppose a recess for 10 days with this important legislation pending.

CONGRESSIONAL RECESS

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

Mr. FREY. Mr. Speaker, I join with many of my colleagues in their concern over the press of business. I know that Members on both sides of the aisle are deeply concerned about the important unfinished business. As a matter of fact, I think we are so deeply concerned about this that we would rather stay here and tend to the business at hand than be at home over a recess.

For instance, we are moving rapidly on the social security legislation. I think this is great. But to put this off any longer would be a disservice to the many senior citizens around our Nation. I, of course, have a great many of these people in Florida. I do not want to go home and tell these senior citizens that we took 10 days off to relax and enjoy ourselves and let their legislation sit. If any such recess proposal is made, I intend to oppose it, and I hope that many of my colleagues on both sides of the aisle will join in this effort. It is time we put the Nation's needs in front of our convenience.

ENERGY CRISIS DESERVES IMMEDIATE CONSIDERATION

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

Mr. McCOLLISTER. Mr. Speaker, those of us who have been demanding direction from the administration on the energy crisis for many months were grateful for the President's message last night. He has spelled out specific steps which Congress can take to implement a nationwide conservation program.

It is urgent that we keep the Thanksgiving recess short so we may act on the following proposals without waiting for bad weather to paralyze some section of the country.

He has asked for—

Reinstatement of daylight saving time;

The authority to ration gasoline and fuel oil;

A national highway speed limit of 50 miles per hour;

Limiting of outdoor electrical advertising and ornamental lighting such as Christmas displays;

Imposition of energy conservation fees or taxes on those who use more than a stipulated amount of natural gas or electricity;

Reduction of commercial operating hours;

Authority to increase oil production from reserves in California; and

Authorization through the Environmental Protection Agency to exempt factories and other stationary sources of pollution from Federal and State air and water quality laws.

All of these suggestions deserve our immediate consideration without a lengthy vacation period delay.

AMERICAN PEOPLE DEMAND CONGRESSIONAL ACTION

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

Mr. HEINZ. Mr. Speaker, we have all heard that the House leadership will propose a 10-day recess over the Thanksgiving holidays. Rumors of such a recess continue despite the fact that Congress has been inundated by constituent outcries that we get busy and do something to relieve the present crisis of confidence in Government. A 10-day recess is an incredible affront to the American people's demand for congressional action on the confirmation of a Vice President, establishment of an independent prosecutor, and extension of the life of the Watergate grand jury, the energy crisis, budget reform, and pension reform.

Pension reform is just one example of pressing public business that cannot be delayed just for convenience of Congress. For too long tens of millions of American workers have been victimized by pension programs that have been financially unsound, miserly in their coverage and grossly unfair in their application. In 1972 alone, 20,000 workers saw their pension plans abruptly ended.

Today I learned that the Ways and Means Committee has set aside pension reform to take up other legislation. While no one disputes the importance of other matters, equitable pension reform must be enacted without delay if we are to relieve the public's crisis of confidence in the effectiveness of Government.

Now is certainly not the time to shove the interests of the American people to the back burner and relax the overdue drive to overhaul pension programs and protect America's workers.

Mr. Speaker, these troubled times and necessary public business such as pension reform and other matters demand more from us than a 10-day vacation with pay at the taxpayers' expense.

CRISIS OF NONCONFIDENCE MUST BE RELIEVED

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

Mr. FRENZEL. Mr. Speaker, I understand that the House today may consider either a unanimous-consent request or a motion to adjourn for an extended Thanksgiving vacation.

This Congress has been deluged with constituent outcries to "do something" to relieve the crisis of nonconfidence. Is not a 10-day, or a 9-day, or a 7-day recess a pretty casual response to a crisis?

Watergate-related legislation, energy bills, appropriation bills and the Vice Presidential confirmation lie incomplete in our committees. I do not believe this vital public business should have to wait while we rest.

Among the legislation on the must list prepared by the Speaker and the Senate majority leader is election reform. It is on my must list, too, as the principal congressional response to the problems of Watergate. A subcommittee of this House is now working on several election bills. It has already had attendance problems with Member witnesses. I believe an extended Thanksgiving recess will almost assure that we cannot pass an election reform bill this year.

In these times of multiple domestic and international crises, the country expects more from Congress than an extended recess. A recess now is worse than unseemly. It is almost insulting to the people. I shall oppose any move for a long recess.

THE COUNTRY DESERVES A VICE PRESIDENT

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

Mr. KEATING. Mr. Speaker, the American people have been most upset by the events of the last few months. For Congress to take a 10-day recess for Thanksgiving holidays when so much vital work demands to be done can only leave further ill feeling.

Our distinguished minority leader was named the Vice-Presidential-designee 4 weeks ago tomorrow. The pace we have been following in reviewing such nomination can best be described as extremely cautious.

The other body has already conducted hearings and I was informed that this morning their committee will conclude its deliberation on the nomination by the end of next week.

By contrast, the Judiciary Committee of this body has just scheduled hearings to begin next Thursday, November 15. Having had the benefit of the other body's hearings, our committee should be able to report the nomination to the full House prior to Thanksgiving.

We should be in session to consider the nomination immediately.

The country deserves a Vice President. We should fulfill our duty on the Vice-Presidential nomination.

Let us forgo the 10-day holiday until we have acted on this most important matter.

STOP FORCED BUSING AND HELP EASE ENERGY SHORTAGE

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

Mr. HUBER. Mr. Speaker, last evening the President of the United States made a very eloquent address to the people of the United States on the subject of the energy emergency. He called for various voluntary steps on the part of each American to help tide us over this trying period.

It occurred to me as I listened that one immediate step would save thousands of gallons of gasoline and millions of dollars for various school districts nationwide. By this I mean let us put a stop to forced school busing, which a recent poll shows that 95 percent of the American people oppose. Certainly the people in Prince Georges County, Md., Denver, Colo., Memphis, and Nashville, Tenn., Alexandria, Richmond, and Norfolk, Va., Indianapolis, Ind., and other places across the Nation where forced busing is taking place would rejoice. Those localities threatened with forced busing such as Ferndale, Mich., in my district would certainly heave a sigh of relief.

Logic would then dictate some action in this regard. Just as the President has asked the Congress for authority to relax some of our air pollution regulations in the interest of saving fuel, I feel the Congress and the President should explore the avenues of suspending existing and pending court action providing for school busing in order to save precious gasoline.

THANKSGIVING RECESS

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

Mr. DERWINSKI. Mr. Speaker, I must take exception to the demands from a number of Members that we work over Thanksgiving. Let me point out, we were given notice approximately 3 weeks ago of a Thanksgiving recess. Many of us in good faith made appointments in our districts that we feel we should be keeping. For example, I have scheduled meetings with students, unions, chambers of commerce, and individual citizens in my district. I will be putting in longer days back home than I would be here in Washington.

I think that there is a positive development to have the Members go home to their districts for a working week and to have them get a good grasp of current public opinion. I can think of nothing more refreshing and stimulating than to get away from the artificial atmosphere of Washington. When we go back home for a week to find out what our constituents really think, it is much more informative for us than listening to the news in this "madhouse" called Washington, D.C.

I think the best thing in the world for the country would be a week's recess for Congress, so we could come back with our minds clear and, rearmed with an understanding of the views of our constituents, get the job done in a much more effective fashion than has been the case in this Congress.

THANKSGIVING RECESS

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

Mr. ARMSTRONG. Mr. Speaker, like the gentleman just before me, I also have plans to go home over the recess. Yet I think the Members who suggest we take a 1-day recess instead of 10 long days are right. It is unseemly for Congress to be in recess for 10 days at a time of national emergency. There are many serious matters we could take up at this time. One such issue was brought to our attention by a group of concerned citizens yesterday in the Washington Post under the headline, "What is Washington Waiting For?" These citizens pointed out that 10 months ago we announced plans for budget reform. So far nothing has been accomplished.

These citizens are asking why we put it off another year. I think we should ask ourselves the same question and address ourselves to this and other matters during what would be otherwise an unproductive recess.

THANKSGIVING RECESS

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

Mr. McCLORY. Mr. Speaker, I just hate to disappoint my colleague from Illinois (Mr. DERWINSKI), with regard to his vacation plans for the proposed 10-day Thanksgiving recess. On the other hand, there is not going to be any recess for the Members of the House Judiciary Committee, no matter what this House decides to do. We have already scheduled sessions of the Judiciary Committee on the subject of the confirmation of the Vice President designate GERALD R. FORD for the 19th, 20th, and 21st of the month following next week's sessions on Thursday and Friday.

It would seem to me very disappointing to the American people as well as a source of great embarrassment to the Members of this House if we were to conclude our hearings and present for House consideration a recommendation with respect to the confirmation of Congressman GERALD R. FORD as Vice President only to find that Members are all at home and not here in Washington. What would the attitude of the American people be then?

It seems to me what they want us to do is to remain here on the job attending to our business and acting to confirm a new Vice President.

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

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

Mr. ADDABBO. If the hearings the gentleman mentioned are concluded on the 21st, is it conceivable a report can be made to the Congress by Thanksgiving or that Thursday? The committee could not

possibly report it the following day. It would take another week to file a report.

Mr. McCLORY. I thank the gentleman for his remarks. I would hope we could conclude the hearings before the 21st. The fact that the Senate has already held extensive hearings should enable our Committee to conclude before the 21st and I would hope that we could bring the subject to the floor of this House before then; but if we are gone, it will be a reflection on the Members of this House, it seems to me.

Mr. ADDABBO. If the gentleman will yield further, all are talking about 10 days. We have two weekends in there; to take 4 days off for Thanksgiving means a total of 5 days. We have not worked on any Fridays. That is two Fridays out. We had suspensions on election day. That takes care of the suspension Monday, November 19, and all we are getting is 2 days extra which can be profitably spent in our districts especially since we will be here till Christmas.

Mr. McCLORY. I thank the gentleman for his additional comments, but I believe the fact we have these hearings scheduled makes it important that the House be in session to insure attendance by the members of the House Judiciary Committee for these important hearings. Should we conclude these hearings it would seem most important for the House to be in session for the confirmation of the new Vice President.

THANKSGIVING RECESS

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

Mr. FLOWERS. Mr. Speaker, I would think that this is a unique opportunity we have. The Judiciary Committee will be working during Thanksgiving week, and, as a member of that committee, I would like to invite our colleagues, the gentleman from Florida, the gentleman from New Mexico, and other gentlemen who want so diligently to avoid a recess and work during that week, to join us. To work here or not to work, if that is the question, then these gentlemen will have a choice. We on the committee have our decision made for us.

We will be glad to have them here with us if they so choose and will be delighted to see them.

THANKSGIVING RECESS

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

Mr. HANNA. Mr. Speaker, I take this opportunity to congratulate the leadership for putting before the House the subject of this recess for what it has elicited here today.

Mr. Speaker, I did not realize that there was so much support for reforms of the various types that have been before this House over such a long period of time. It is refreshing to find how eager the Republican Members are to get on with the work that has been before us for so long. Curiously, in the very few times in which the Members have had an opportunity to express themselves on these matters, I was not aware that so many Republicans were so enthusiastic in their support for these measures.

Therefore, I believe that this has done one good and healthy thing for the House. I now see that there are greater friends for these measures than ever has before been established.

Mr. Speaker, I hope one other thing that we have established is an opportunity for those who were fearful about the election coming up, that they can say, "Well, we were not one of those do-nothing Congressmen," I am sure someone is going to generate a story of this type. Therefore, this allows them to get off the hook. Blessings on them.

Finally, Mr. Speaker, it is distressing to me to hear cynical comment to the effect that many of these Members flagellating the House over the proposed recess would prefer the hospitality of Washington, D.C. to the hostility of their constituency. I do not consider it kind to subscribe such rationale to the constructive political demagoguery we are hearing today.

THANKSGIVING RECESS

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

Mr. DELLENBACK. Mr. Speaker, I was particularly interested in hearing the remarks of the gentleman from California a few moments ago. Just in case it has failed to come to his attention, meetings of committees within this body are scheduled by the majority party. There has been an effort made by a series of Members of this House from our side of the aisle in the last few minutes this morning to make mention, not just of one isolated issue, but of a series of issues on which action by this body is long overdue. It is gravely wrong for us to recess for an extended period of time when so much that so badly needs to be done remains undone.

Let every Member of this body, and every reader of the CONGRESSIONAL RECORD, recall that it is the majority party that has the responsibility of calling and the power to call committee meetings and to schedule committee and floor action on bills. If it will expedite action on the above mentioned issues, we from this side of the aisle will be at the committee meetings and on the floor to vote. We hope the majority party will act at this time when otherwise a recess would be scheduled.

I join in opposition to such a proposed recess. I hope the leadership of the House will reconsider and keep the Congress in session through the week of November 19 on every day but Thanksgiving Day itself.

THANKSGIVING RECESS

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

Mr. GROSS. Mr. Speaker, I hope the gentleman from Illinois (Mr. DERWINSKI) who says he wants to go home to his district during the proposed week of Thanksgiving did not misspeak himself.

He goes to the trouble of sending me about every other week a "wish you were here" postal card from some distant country.

Mr. Speaker, what I really rose to speak of is the origin here today of a movement to do some needed reforming in the House. On the basis of what I have heard this morning from the younger Members of the House, and I compliment them, I will give consideration to the introduction of a resolution to abolish the T. and T. Club—the out on Thursday, back on Tuesday club, in an effort to expedite business.

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

Mr. GROSS. Yes; I am glad to yield to my friend, who has been so thoughtful in sending me so many cards.

Mr. DERWINSKI. Mr. Speaker, during this recess, which I think is going to be in the public interest, if the gentleman would go back to Waterloo, Iowa, and since I will be in Chicago, I will send him a card if the post office can find Waterloo.

Mr. GROSS. Mr. Speaker, I will say to the gentleman that, if I am not in Waterloo, Iowa, I will not be in Jamaica or some such place lapping up the sunshine and warmth.

UNDERSTANDING THE REPUBLICAN POSITION ON THE RECESS

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

Mr. STARK. Mr. Speaker, I would urge my colleagues on this side of the aisle to sympathize with the plight of our Republican friends and colleagues across the aisle. If we were Republicans, we too would be afraid to go home during the Thanksgiving recess.

THE ISSUE OF RESIGNATION

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

Mr. MICHEL. Mr. Speaker, Members of the House are quite well aware that we do not have a parliamentary system in this country where prime ministers rise and fall depending upon their popularity, the positions they espouse at any given time, or the number of call girls operating among their cabinet members.

Just because our Vice President saw fit to resign because of his problems, there is no good reason for our President to pursue that course of action, for the cases are not comparable. All of this talk of the President's resigning is ridiculous, and it is only serving to disrupt and confuse.

Our Constitution provides specifically for the removal of a President by way of impeachment, and the Committee on the Judiciary is currently in the process of considering the several impeachment resolutions which have been introduced.

I suspect that if an impeachment resolution were brought to a vote in this House today, it would be soundly defeated, which makes all of this talk with respect to resignation purely academic.

Mr. Speaker, yesterday's editorial entitled "Resignation" in the Washington Star-News, it seems to me, is very appropriate for the times, as is the article by Dick Wilson appearing in the same edition and entitled, "The Case Against Nixon's Resigning."

PERSONAL EXPLANATION

Mr. HUNT. Mr. Speaker, on October 31, 1973, I missed the vote on roll No. 556, which rejected a motion to delete section 817, Public Health Service hospitals, from the military procurement authorization. Had I not been detained in the doctor's office for treatment of a bad case of shingles, I would have voted nay.

LET'S GET ON WITH OUR WORK

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

Mr. KEMP. Mr. Speaker, in these troubled times, it is incumbent upon Congress to do much more than business as usual and to exert every possible effort to help restore faith and respect in the responsiveness of the American political system.

It would be the height of hypocrisy for the House of Representatives to approve a motion for a 10-day Thanksgiving recess at a time when there is urgent, critical legislative action pending for the American people.

At a minimum the current national situation requires that Congress continue its work and act on emergency and other critical energy legislation, social security cost-of-living increases, campaign spending and election reforms, the Elementary and Secondary Education Act extension, budget reform, confirmation of Vice-Presidential nominee GERALD R. FORD, sound minimum wage legislation, vital pension reform, and urgent appropriations bills, including that for the Department of Health, Education, and Welfare, as well as independent prosecutor legislation. The fiscal year is half gone and our schools in western New York and throughout the country are hampered by the failure to complete work on funding bills.

We adjourned the 92d Congress without enacting minimum wage legislation, and as we near the end of another year marked by sharp increases in the cost of living, we would be failing in our responsibility to the many thousands of marginal workers whose earning power has been seriously eroded by the wave of inflation over the past several years, if we were to recess without acting on a minimum wage increase. We must put political and personal considerations aside and act to provide this urgently needed relief.

Mr. Speaker, the nature of the times and our duty to the American people should impel us to defeat a motion for a lengthy recess which we can clearly ill afford.

AUTHORIZING THE DISTRICT OF COLUMBIA COUNCIL TO REGULATE AND STABILIZE RENTS

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4771) to authorize the District of Columbia Council to regulate and stabilize rents in the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 3, line 16, after "Act" insert: ", except that any such rules so adopted to stabilize and regulate the amount of rent or benefits which a landlord is entitled to receive for the use or occupancy by any tenant of any residence shall provide means whereby increased costs incurred by such landlord and directly related to such residence shall be taken into consideration in determining the amount of such rents or benefits which such landlord is entitled to receive in connection with such use or occupancy under such rules".

Page 3, line 17, after "be" insert: "modified or".

Page 4, line 12, strike out all after "Council" down to and including "Columbia." in line 17 and insert: ", of whom four members shall be representative of solely the interests of landlords in the District of Columbia and four shall be representatives of solely the interests of tenants of the District of Columbia."

Page 4, line 20, strike out ", or for one year, whichever is shorter".

Page 6, after line 4, insert:

"(e) (1) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to hold such hearings, sit and act at such times and places within the District of Columbia, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission may deem advisable in carrying out its functions under this Act.

"(2) In the case of contumacy or refusal to obey a subpena issued under this subsection by any person who resides, is found, or transacts business within the District of Columbia, the Superior Court of the District of Columbia, at the request of the Chairman of the Commission, shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

"(f) There is authorized to be appropriated such sum, not to exceed $85,000, as may be necessary to carry out the provisions of this section."

"Page 7, line 14, after "8" insert: "(a)".

Page 7, lines 16 and 17, strike out "date of enactment of this Act," and insert: "date that rules adopted by the Council pursuant to section (a) of this Act to regulate and stabilize rents in the District of Columbia become effective or, if no such rules are in effect on the date of expiration of the one-year period following the date of the enactment of this Act, such provisions, orders, and requirements shall terminate on the date of expiration of the one-year period following the date of the enactment of this Act,".

Page 7, line 18, strike out "expiration" and insert: "termination".

Page 7, after line 22, insert:

"(b) With respect to any such rules adopted pursuant to such section 3(a) to regulate and stabilize rents in the District of Columbia, the Council shall, on the expiration of six-month period following the effective date of such rules, conduct a hearing with a view to determining whether such rules should be modified or terminated by reason of a change in the situation which existed in the District at the time of the adoption of such rules and which was the basis for such rules. The provisions of the first sentence of section 3(b) of this Act shall be applicable with respect to such hearing held pursuant to this subsection.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Michigan just one question. Are all amendments to the bill germane?

Mr. DIGGS. I yield to the gentleman from Kentucky for a response.

Mr. MAZZOLI. I thank the gentleman from Michigan for yielding.

These are germane amendments, to answer the question of the gentleman from Iowa.

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

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

REGIONAL RAIL REORGANIZATION ACT OF 1973

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 688 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 688

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9142) to restore, support, and maintain modern, efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against sections 911 and 912 of said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment

adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 688 provides for an open rule with 2 hours of general debate on H.R. 9142, a bill to restore, support and maintain modern and efficient rail service in the Northeast region of the United States.

House Resolution 688 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment and the substitute shall be read for amendment by titles instead of by sections.

House Resolution 688 also provides that all points of order against sections 911 and 912 of the substitute for failure to comply with the provisions of clause 7, rule XVI of the Rules of the House of Representatives—the germaneness provision—are waived.

H.R. 9142 would create a new agency, the Federal National Railway Association, to act as the principal planner and financing vehicle for the reorganization, rehabilitation, and modernization of six bankrupt railroads into a new for-profit carrier.

Mr. Speaker, the six bankrupt carriers covered by this bill employed more than a quarter of all the rail employees in the United States. This bill is the most acceptable alternative for a solution to the railroad crises in the Northeast. I urge adoption of House Resolution 688 in order that we may discuss and debate H.R. 9142.

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

Mr. Speaker, House Resolution 688 provides for the consideration of H.R. 9142, Regional Rail Reorganization Act of 1973, under an open rule with 2 hours of general debate. In addition, the rule has several other provisions. It makes the committee substitute in order as an original bill for the purpose of amendment, provides that the bill be read by titles instead of by section, and waives points of order against sections 911 and 912 for failure to comply with clause 7 of rule XVI, which is the germaneness rule.

The bill establishes a Federal National Railway Association—FNRA—for planning and financing the new system. After studies are conducted, final determinations on the quantity and quality of rail service to be provided by the carriers will take form in a final system plan. The plan is to designate which properties of a bankrupt railroad are to be acquired on a mandatory basis by the new for-profit corporation, and which properties are to be acquired on a consensual basis by other railroads in the region, and which properties should be abandoned.

The planning process will take approximately 16 months, during which time $85 million will be available as interim assistance to the railroads in reorganization.

The bill creates a Federal Rail Corporation—FRC—to acquire, rehabilitate, and operate rail properties of the bankrupt railroads.

This bill also provides for the continuance of labor protection for employees of railroads going out of business, with displacement allowances or lump sum severance payment available to those employees not used by the new system.

Departmental letters were filed by the Department of Transportation, the ICC, the Comptroller General, the Department of Labor, and the SEC, objecting to numerous provisions. For example, the Department of Transportation, among other things, objects to the potentially high cost of the labor protection provisions.

Supplemental and additional views were filed by Members DEVINE, HARVEY, COLLINS of Texas, and HEINZ, indicating that they have serious reservations, but will not oppose the bill. For example they object that H.R. 9142 leaves the final decision as to the value of transferred railroad properties, to be made subsequent to the conveyance. They object that this will result in very high property costs for the new corporation. One estimate places the value on these properties as high as $10 billion to $14 billion. These Members also doubt that $250 million authorized will be sufficient to cover the cost of the labor protection provisions.

The Committee on Interstate and Foreign Commerce reported the bill by a voice vote.

In a November 7, 1973, statement by Secretary of Transportation Claude S. Brinegar, attention is called to what he considers serious flaws in the bill. He states that it is unnecessarily expensive and, I quote:

The Nation's taxpayers should not be expected to shoulder such a heavy burden to protect what must eventually be looked upon as a private sector responsibility.

The Department has recommended, I understand, some fairly simple but corrective amendments that they believe are essential to avoid the risk of these unnecessary extra taxpayer costs.

The total amounts authorized in this bill are as follows:

$250,000,000 for labor protection costs. $10,000,000 for organizing a corporation. $26,000,000 for an association and its expenses. $500,000 for ICC planning. $85,000,000 for interim operating expenses. $50,000,000 per year for subsidizing losing lines. $1,000,000,000 in government guaranteed loan authority.

Mr. Speaker, I recommend adoption of the rule allowing the House to proceed with debate on H.R. 9142.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

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

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

Mr. MONTGOMERY. 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 393, nays 2, not voting 38, as follows:

[Roll No. 568]

YEAS—393

Abdnor	Conte	Gude
Adams	Corman	Gunter
Addabbo	Cotter	Guyer
Alexander	Coughlin	Haley
Anderson, Calif.	Crane	Hamilton
	Cronin	Hanley
Anderson, Ill.	Culver	Hanna
Andrews, N.C.	Daniel, Dan	Hanrahan
Andrews, N. Dak.	Daniel, Robert W., Jr.	Hansen, Idaho
		Hansen, Wash.
Annunzio	Daniels, Dominick V.	Harrington
Archer		Harsha
Arends	Danielson	Hastings
Armstrong	Davis, Ga.	Hawkins
Ashbrook	Davis, S.C.	Hays
Aspin	Delaney	Hechler, W. Va.
Badillo	Dellenback	Heckler, Mass.
Bafalis	Dellums	Heinz
Baker	Denholm	Helstoski
Barrett	Dennis	Henderson
Bauman	Dent	Hicks
Beard	Derwinski	Hinshaw
Bennett	Devine	Hogan
Bergland	Dickinson	Holifield
Bevill	Dingell	Holt
Biaggi	Donohue	Holtzman
Biester	Dorn	Horton
Bingham	Downing	Hosmer
Boggs	Drinan	Huber
Boland	Dulski	Hudnut
Bolling	Duncan	Hungate
Bowen	du Pont	Hunt
Brademas	Eckhardt	Hutchinson
Brasco	Edwards, Ala.	Ichord
Bray	Edwards, Calif.	Jarman
Breaux	Eilberg	Johnson, Calif.
Breckinridge	Erlenborn	Johnson, Colo.
Brinkley	Eshleman	Johnson, Pa.
Brooks	Evans, Colo.	Jones, Ala.
Broomfield	Evins, Tenn.	Jones, N.C.
Brotzman	Fascell	Jones, Okla.
Brown, Calif.	Findley	Jordan
Brown, Mich.	Fish	Karth
Broyhill, N.C.	Fisher	Kastenmeier
Broyhill, Va.	Flood	Kazen
Burke, Mass.	Flowers	Keating
Burleson, Tex.	Flynt	Kemp
Burlison, Mo.	Foley	Ketchum
Burton	Ford, Gerald R.	King
Butler	Forsythe	Kluczynski
Byron	Fountain	Koch
Camp	Fraser	Kuykendall
Carey, N.Y.	Frelinghuysen	Kyros
Carney, Ohio	Frenzel	Landrum
Carter	Frey	Leggett
Casey, Tex.	Froehlich	Lehman
Cederberg	Fulton	Lent
Chamberlain	Gaydos	Litton
Chappell	Gettys	Long, La.
Chisholm	Giaimo	Long, Md.
Clancy	Gibbons	Lott
Clausen, Don H.	Gilman	Lujan
	Ginn	McClory
Clawson, Del	Goldwater	McCloskey
Clay	Gonzalez	McCollister
Cleveland	Goodling	McCormack
Cochran	Grasso	McDade
Cohen	Green, Oreg.	McEwen
Collier	Green, Pa.	McFall
Collins, Ill.	Griffiths	McKay
Collins, Tex.	Gross	McKinney
Conable	Grover	McSpadden
Conlan	Gubser	Macdonald

Madden	Randall	Stokes
Madigan	Rangel	Stratton
Mailliard	Rarick	Stubblefield
Mallary	Regula	Stuckey
Mann	Reuss	Studds
Maraziti	Rhodes	Sullivan
Martin, Nebr.	Riegle	Symington
Martin, N.C.	Rinaldo	Symms
Mathias, Calif.	Roberts	Talcott
Mathis, Ga.	Robinson, Va.	Taylor, Mo.
Matsunaga	Robison, N.Y.	Taylor, N.C.
Mayne	Rodino	Teague, Calif.
Mazzoli	Roe	Teague, Tex.
Meeds	Rogers	Thompson, N.J.
Melcher	Roncalio, Wyo.	Thomson, Wis.
Metcalfe	Roncallo, N.Y.	Thone
Mezvinsky	Rooney, Pa.	Thornton
Michel	Rose	Tiernan
Milford	Rosenthal	Towell, Nev.
Miller	Rostenkowski	Treen
Minish	Roush	Udall
Mink	Rousselot	Ullman
Mitchell, Md.	Roy	Van Deerlin
Mitchell, N.Y.	Roybal	Vander Jagt
Mizell	Runnels	Vanik
Moakley	Ruppe	Veysey
Mollohan	Ruth	Vigorito
Montgomery	Ryan	Waldie
Moorhead, Calif.	St Germain	Wampler
	Sandman	Ware
Moorhead, Pa.	Sarasin	Whalen
Morgan	Sarbanes	White
Mosher	Satterfield	Whitehurst
Moss	Scherle	Whitten
Murphy, N.Y.	Schneebeli	Widnall
Myers	Schroeder	Wiggins
Natcher	Sebelius	Williams
Nichols	Seiberling	Wilson, Bob
Nix	Shipley	Wilson, Charles H., Calif.
Obey	Shoup	
O'Brien	Shriver	
O'Neill	Shuster	Wilson, Charles, Tex.
Owens	Sikes	
Parris	Sisk	Winn
Passman	Skubitz	Wolff
Patten	Slack	Wright
Pepper	Smith, Iowa	Wyatt
Perkins	Smith, N.Y.	Wydler
Pettis	Snyder	Wylie
Peyser	Spence	Wyman
Pickle	Staggers	Yates
Pike	Stanton, J. William	Yatron
Poage		Young, Alaska
Podell	Stanton, James V.	Young, Fla.
Powell, Ohio		Young, Ga.
Preyer	Stark	Young, Ill.
Price, Ill.	Steed	Young, S.C.
Price, Tex.	Steele	Young, Tex.
Pritchard	Steelman	Zablocki
Quie	Steiger, Ariz.	Zion
Quillen	Steiger, Wis.	Zwach
Railsback	Stephens	

NAYS—2

Landgrebe	Latta

NOT VOTING—38

Abzug	Diggs	Mills, Ark.
Ashley	Esch	Minshall, Ohio
Bell	Ford, William D.	Murphy, Ill.
Blackburn		Nedzi
Blatnik	Fuqua	Nelsen
Brown, Ohio	Gray	O'Hara
Buchanan	Hammer-schmidt	Patman
Burgener		Rees
Burke, Calif.	Harvey	Reid
Burke, Fla.	Hébert	Rooney, N.Y.
Clark	Hillis	Waggonner
Conyers	Howard	Walsh
Davis, Wis.	Jones, Tenn.	
de la Garza	Mahon	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Murphy of Illinois.
Mr. Hébert with Mr. Reid.
Mr. Mahon with Mr. Davis of Wisconsin.
Mrs. Burke of California with Mr. Esch.
Mr. Howard with Mr. Conyers.
Mr. Blatnik with Mr. Hammerschmidt.
Mr. Ashley with Mr. Blackburn.
Mr. Diggs with Ms. Abzug.
Mr. O'Hara with Mr. Bell.
Mr. Rees with Mr. Buchanan.
Mr. Waggonner with Mr. Brown of Ohio.
Mr. Clark with Mr. Harvey.
Mr. Mills of Arkansas with Mr. Burke of Florida.
Mr. Fuqua with Mr. Hillis.
Mr. William D. Ford with Mr. Minshall of Ohio.
Mr. Gray with Mr. Nedzi.
Mr. Jones of Tennessee with Mr. Nelsen.
Mr. de la Garza with Mr. Walsh.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9142) to restore, support, and maintain modern, efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9142, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 1 hour, and the gentleman from Tennessee (Mr. KUYKENDALL) will be recognized for 1 hour.

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

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

Mr. Chairman, our committee accounts for almost a quarter of the bills considered by the House each session. Today, I speak on behalf of the committee's bill, H.R. 9142, which I believe is one of the most important pieces of legislation we have considered in many years—and it certainly will be one of the most important bills this Congress will act on this year.

Few bills have received such extensive and thorough review in committee as this one. Our Transportation Subcommittee started public hearings back in early April.

The subcommittee held 21 sessions in public hearings and executive session before reporting the bill in late September. Our full committee met in executive session during the entire month of October, and we reported it out after 10 sessions. I think I heard only one or two dissenting votes.

It is a lengthy bill—covering 10 titles. It is as complex as any I have seen, since it deals with everything from bankruptcy laws, corporate restructuring and finance, to railway labor law.

I think it is a good—a historic bill—and I am proud of my committee in responding to the urgency of this crisis with a far-reaching but sound and considered approach.

Essentially, the bill is a reorganization plan for the six bankrupt railroads in the Northeast. It supplements section 77 of the Bankruptcy Act—which deals exclusively with railroad bankruptcy.

If the judges having jurisdiction over the bankrupt carriers want to use this act as a means of reorganization, they can do so. They are not forced to—but we feel sure that they will do so.

Briefly, the bill contains these provisions:

TEN POINT SUMMARY OF H.R. 9142

The Federal National Railway Association is created to be the principal planner and financing agency for the reorganization and modernization of the railroads.

A for-profit Federal Rail Corporation is created. It will exchange its common stock for properties of six bankrupt railroads and will operate pursuant to a master rail plan for the Northeast region.

The FNRA, Department of Transportation ICC and the public will devise, with congressional approval, the master plan for rail operations in the region, and designate which carrier will operate where, and what lines will be discontinued and abandoned.

Transfer of properties of bankrupt carriers to the new Corporation is mandatory so that essential service will not be interrupted. Provisions are in the bill to protect creditors' rights.

For uneconomical but essential lines which the planners decide not to include in the final plan, a yearly $50 million Federal fund is set up to cover the continued operation or purchase of those lines; provided States, localities, or regional authorities put up 30 percent of the losses.

The bill authorizes up to $250 million for labor protection costs associated with reductions and dislocations of the 120,000 Northeast rail work force.

The Federal Government is authorized to spend up to $36.5 million to organize and meet expenses of the association, the Corporation, and a new special office within the ICC, which will be a part of the planning.

There is a provision authorizing the Secretary of Transportation to grant up to $85 million to bankrupt carriers to meet operating expenses between the time this bill passes and the transfer of their properties to the new Corporation. This will be a period of about 20 months and is necessary to continue service, if the bankrupt carriers run out of cash.

The Federal Government will guarantee up to $1 billion in loans for the association to modernize the affected railroads, as well as to help pay for the properties to be conveyed to the Corporation.

The bill removes some exemptions for rail carriers from the Security Exchange Act, and adds language as to safety regulations concerning the transportation of explosives by rail.

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

Mr. STAGGERS. I yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, I would like to ask one or two questions since the gentleman has indicated that

at this point he is not going to take a great deal of time.

Mr. Chairman, as I understand section 911 of the bill, it would transfer to the Securities and Exchange Commission certain responsibilities which have traditionally and historically been responsibilities of the Committee on Interstate and Foreign Commerce.

Mr. STAGGERS. That is correct.

Mr. STEPHENS. Mr. Chairman, as I also understand, the ICC has had jurisdiction over railroads since about 1920 and over truck lines from about 1934.

Mr. STAGGERS. That is correct.

Mr. STEPHENS. Now, am I correct in my understanding that this bill attempts to transfer jurisdiction of railroads from under the ICC, but not transfer the same jurisdiction for truck lines or barge lines?

Mr. STAGGERS. It does not transfer the jurisdiction from the ICC. It makes it a joint jurisdiction with the SEC. These will still be under ICC, but SEC will be able to take a look at them. The reason for this is that if the SEC would have been looking at the securities of the Penn Central, I do not believe we would have been surprised by the collapse of the Penn Central, the New Haven and other railroads.

Mr. STEPHENS. Why is the jurisdiction transferred, this exemption eliminated in the case of railroad transportation companies, but not in the case of others? As I understand it, they would still be under ICC without being under FTC.

Mr. STAGGERS. The basic reason is that we are only dealing with railroads in this bill and we have not extended it to any other form of transportation in any way. This is one basic reason, and the other surface modes do have a little different situation than the railroad situation.

Mr. STEPHENS. If the gentleman will yield for another question, I wondered if he had had any hearings in the committee on this particular matter so far as railroads and other transportation companies are concerned so that they can express their views in the record?

Mr. STAGGERS. Mr. Chairman, I might say that the Subcommittee on Investigations has studied this particular subject for a period of 3 years and has come up with recommendations in the form of a bill, and that bill was incorporated into this bill by the subcommittee, by the motion of one member of the subcommittee.

Mr. STEPHENS. But in this particular bill here the gentleman does not have that before him?

Mr. STAGGERS. It is an appendix really by the full committee. They have been studying the project, and they did draft a bill, which the chairman dropped in the hopper, and a member of the subcommittee took that bill and incorporated it into this bill.

Mr. STEPHENS. Mr. Chairman, I understood that the gentleman had also introduced a bill dealing with this subject, and that is pending before his committee. That is a bill dealing with this subject alone?

Mr. STAGGERS. Mr. Chairman, this is the same bill that is incorporated here, essentially the same bill, and that is one reason why the truckers were knocked out. That was in my bill, but it was knocked out because this is a railroad bill, and we are probably going to have to take up the situation as it relates to truckers.

Mr. STEPHENS. Mr. Chairman, I thank the gentleman. I had hoped perhaps that we might consider it, although I will have no amendments to this. We should not have a delay of this matter because of its importance, and I wish we could have sufficient hearings on this matter so that the railroad companies and others could come in to testify.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman for his comments.

Mr. KUYKENDALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, we are in a rather peculiar position today because of the content of H.R. 9142 having to do with the Northeast Railroad crisis.

The reason I say that we find ourselves in a difficult position is because there are a number of very objectionable features to the bill as it is now constituted. If the bill remains in this status, I am frank to say that I intend to vote against it.

It can be sanitized, it can be cured, because the gentleman from Tennessee has several very important amendments to offer which I think would make the bill ultimately acceptable. However, in its present form, I find that it is objectionable for reasons I will set forth in a moment.

Mr. Chairman, the problem is this: If we do not adopt legislation in this field, we are going to be in serious trouble, since we can hardly leave the Nation in a situation where the bankrupt railroads will be liquidated and wiped out and nobody remains in business.

I hope that these improvements will be made. I will ask all of the Members that when the gentleman from Tennessee offers his amendments they pay strict attention to them.

Mr. Chairman, this bill provides for approximately $1.4 billion to be devoted to the reorganization of the railroads in the Northeast part of the country, with $1 billion of the total being in the form of Government-guaranteed loans and the remaining $400 million coming from direct Federal expenditure. There are at least three areas in the bill that have convinced me that $1.4 billion will be nowhere near enough.

First, the manner in which the new corporation will acquire properties of the bankrupt estates is of such a nature that a higher price than the $200 million currently contemplated will probably ultimately be needed. This is due to the fact that valuation takes place after conveyance and opens up opportunities for the large insurance companies, banks and other elements of Wall Street that are the creditors of the bankrupt railroads to engage in extensive litigation to increase the price that will have to be paid for the properties. In committee we moved toward a compromise whereby conveyance would be in the context of a section 77 bankruptcy proceeding. The intent of the compromise was to allow the court to make a determination as to the disposition of the bankruptcy proceeding, limiting the claims that the creditors can make in subsequent legal proceedings. Our intent will not be realized, however, unless several amendments are adopted.

Another area of concern is the extensive benefits which are provided in the labor protection provisions. Virtually all members of the committee agree that protecting the well-being of the working man, that is, primarily the railroad employees, should be considered as a social cost payable by the Government rather than a burden on the new corporation. However, title VIII goes far beyond what is necessary to provide adequate labor protection.

The full Committee on Interstate and Foreign Commerce adopted language which was the product of a bargaining session involving representatives of railroad labor and some railroad management groups which is called a sweetheart deal where neither of them will have to pay for it but you, the taxpayers, will because it will be paid for with Government money.

The result of their agreement places the railroad employee in a far better position than his colleagues in other industries. For example, an employee with more than 5 years service can receive a monthly displacement allowance for the rest of his working life, which, in effect, amounts to a guaranteed annual income.

I think there is a general revulsion to that type of theory included in some legislation a few years back.

Such displacement allowances are figured on a unique compensation formula which permits an employee to inflate the benefits to which he is eligible far beyond that to which he is realistically entitled. As a result, the $250 million presently authorized for labor protection by the bill will be wholly inadequate to cover the costs that the Federal Government will incur. Again, amendments will be offered to correct these shortcomings, and I urge all of you to listen closely to them and adopt them.

Finally, the bill provides for extensive Federal subsidization for the purchase of nonprofitable lines that should be abandoned pursuant to the system plan. Again, the $50 million provided for these purposes is insufficient. Unless these provisions are modified, we will be called on in the near future to provide much more money. Perhaps some Federal assistance should be available to continue to operate a branch line which might be considered essential even though it is a money loser, I do not think that the taxpayers as a whole should be called upon to subsidize purchases of such lines. Corrective amendments to eliminate the mandatory application of Federal funds for the purchase of these branch lines will be offered, and I strongly urge their serious consideration and adoption.

H.R. 9142 is the result of extensive deliberations and compromise by both the members of the committee on Inter-

state and Foreign Commerce and particularly specifically the members of its Transportation and Aeronautics Subcommittee.

I would say to the Committee that one of the Members who joins me in the remarks that I am currently making is the gentleman from Michigan (Mr. HARVEY) who unfortunately found it impossible to be on the floor today. But I wanted to commend the gentleman from Michigan for the intensive work that he has put in on this bill, as well as the other members of the subcommittee, which include the gentleman from Tennessee (Mr. KUYKENDALL), the gentleman from Kansas (Mr. SKUBITZ), and the coauthor of the bill, the gentleman from Montana (Mr. SHOUP).

Mr. Chairman, we all realize the severity of the crisis. However, the changes I have mentioned must be made, in my opinion, if a disastrous financial impact on the American taxpayer is to be avoided.

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

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

Mr. GILMAN. Mr. Chairman, I rise in support of the statement made by the gentleman from Ohio (Mr. DEVINE).

Mr. Chairman, I rise in support of this measure. In considering this emergency rail proposal, providing for the reorganization and revitalization of the Northeast rail corridor, we should be mindful of a number of important factors.

Foremost in our minds should be the critical need for a total overhaul of rail operations servicing the most densely populated, industrialized section of our Nation. Without immediate Federal assistance to overcome the steady deterioration of Northeast rail operations, our Nation will be faced with severe economic, commercial, and environmental imbalances. The rash of bankrupt filings by Northeast railroads in recent years threatens to halt all of our rail service.

In supporting this rail legislation now before us—legislation which is the product of extensive hearings, debate, and deliberation, we will be adopting a proposal responding to our Nation's critical transportation needs.

H.R. 9142 applies immediate first aid assistance to those bankrupt railroads which, without this operating capital, would otherwise be required to terminate services. Of course, this is merely a band-aid solution—an interim remedy intended to assist the railroads in maintaining services while the major plan for reorganization is implemented.

The core system plan proposed by this bill and prepared by the Department of Transportation, the Interstate Commerce Commission and the Federal National Railway Association will require public hearings and will be subject to congressional approval. With the inclusion of these two provisions, the eventual core system has an excellent opportunity of responding to our needs for more adquate rail passenger and freight service. We must not merely create a skeleton system linking only major cities, but we must form a fully responsive system servicing all of those areas of the Northeast now dependent upon continuing rail operations.

A further important consideration which the committee wisely saw fit to include in this measure, provides for employment protection for our railmen. Although there is considerable controversy concerning the provisions of this section, no one can deny the need to afford our workers the opportunity for the financial security they are entitled to if their jobs are terminated as a result of the implementation of a plan for reorganization.

I am personally hopeful that rail employees will not be idled by any implementation of a core plan, but will, instead, thrive with the revitalization of a growing new system.

Faith in the future of rail services, an efficient form of transportation from the standpoint of natural resources and energy conservation, encourages optimism for improved rail operation resulting in growth; development and increased employment.

Accordingly, Mr. Speaker, I urge my colleagues, in the interest of improving our Nation's rail systems, to vote in support of H.R. 9142, the Regional Rail Reorganization Act of 1973.

Mr. STAGGERS. Mr. Chairman, before I yield to the gentleman from Washington (Mr. ADAMS) I just want to pay a special compliment to the gentleman from Washington (Mr. ADAMS) and to the gentleman from Montana (Mr. SHOUP) who are really the originators of the bill.

Mr. Chairman, I now yield 1 minute to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, this bill represents a compromise of many proposals as to how to deal with the Northeast railroad crisis caused by the bankruptcy of the six major railroads in the area. The bankruptcies now threaten the shutdown of rail service and the liquidation of major segments of the railroad net.

The six bankrupt railroads are presently in reorganization, under section 77 of the Bankruptcy Act. The judge in the major case involving the Penn Central Transportation Co., has stated that he would be required to close down this system unless some Federal solution was forthcoming because the railroad was operating at a continuing loss and the erosion of the assets of creditors would amount to a taking of property without due process under the fifth amendment. A number of the major creditors in that case have filed a motion to dismiss the section 77 proceedings and liquidate the railroad.

The trustees of that railroad have stated in their reports to the court that they cannot reorganize the railroad on an income basis as required by section 77 of the Bankruptcy Act. With this situation in mind the committee has spent many months trying to create a solution that would continue rail service in the area and at the same time meet the requirements of the Constitution that property cannot be taken without due process.

We have tried to forge a solution between the original position of the Department of Transportation which relied solely on an open-ended and voluntary negotiation between the DOT and the bankrupt estates for the railroad properties which might be profitable and the original position of many public officials and Members of Congress that the entire system should be nationalized. We rejected the DOT position because this would have meant an enormous disruption of service and massive unemployment possibly leading to a nationwide depression. We have also rejected nationalization through condemnation since the fair market value of the properties involved has been estimated to be $15 billion with more than $200 million losses per year. Thus nationalization would mean that the taxpayers would not only be bailing out the creditors and stockholders would also be buying a losing proposition.

The committee therefore moved to a plan to create a section 77 type reorganization using a new federally backed but private corporation. Based on the most recent decision of the Supreme Court in the New Haven Inclusion matter (399 U.S. 392 (1970)) we have created a provision which would in effect require the judges in each of six bankruptcy proceedings to promptly determine whether or not each railroad can be reorganized on an income basis and if it cannot be so reorganized—as is indicated by 5 of the 6 judges in these bankruptcy cases—the judge can either accept the statutory scheme of merger and reorganization as provided in this act or can liquidate the railroad. This provides a clear option for the judge and the creditors and we have provided an expeditious appeal proceeding of this determination. We thus wholly comply with the due process requirement of the fifth amendment. The proposed reorganization is patterned on the typical use of section 77 to "cram down" new securities for old when it is necessary to reorganize a property by having a new corporation formed and stock and other securities—if necessary—exchanged for railroad properties. This is a constitutional reorganization proceeding and is not a condemnation. The statutory reorganization system used in this bill follows that adopted by the Supreme Court in the New Haven Inclusion cases (399 U.S. 392 (1970)). First, the trustees and court have an option of whether to transfer properties in exchange for stock and securities of a new corporation. If this is decided then such bankrupt estates would have the proceedings for valuing the property consolidated in one court. This is necessary so that all of those who have rights in the railroad property that are necessary for public service in the Northeast, can be handled in one court. The remaining assets of the bankrupt estates remain in the original section 77 proceedings.

Other portions of this debate will outline in detail the system to be used for transfer of stock and securities for the property. The committee has always intended that the new-for-profit corporation which is formed will give stock for

the rail property selected as necessary for public service. The committee, however, has left available up to $200 million in loan guarantees in the FNRA originally or the consolidated court in its valuation proceedings in all cases to compensate those who have secured claims on the railroad properties to be transferred. We assume that the valuation proceedings will take many years as occurred in the New Haven Inclusion cases (ibid.) and, therefore, we have proposed in the bill that upon transfer of stock and such other securities that the Government, through a planning and financial corporation, FNRA, determines to be proper compensation to the consolidated court, then the properties will be transferred and service will be able to continue. Thereafter, hearings will be held on valuation in the regular course as in the New Haven Inclusion cases (ibid.). This was the type of system that was followed in that the merger took place and at one time the properties were transferred and thereafter the courts determined whether the valuation and compensation was fair and sufficient under the Constitution. That case also determined that liquidation value was all that was to be required to be paid to the creditors and we have done everything possible in the legislative history surrounding this bill to make certain that no more than the constitutional minimum for liquidation as defined by the Supreme Court will be paid by the new corporation for the properties obtained from the bankrupt estates. In addition, we have limited the amount of Government loan guarantees that can be used for acquisition so that taxpayers are protected both by legislative history guided by the determination of the Court and by an absolute limit on the amount of Government guaranteed loans that can be used.

I have taken this time to be certain that it is clearly understood that this bill merely utilizes the principles of existing merger and bankruptcy law through the creation of a new corporation to continue rail service in the Northeast.

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

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

Mr. DENNIS. Mr. Chairman, I am asking for information, and I would ask the gentleman from Washington whether I understand correctly that under the labor protection provision——

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington (Mr. ADAMS).

Mr. DENNIS. Mr. Chairman, if the gentleman will continue to yield, I am asking the distinguished gentleman from Washington (Mr. ADAMS), if I am correct that under the labor protection provisions of this measure that if I went to work for the Pennsylvania Railroad at 20 years of age, and this bill were passed, and the consolidation and reorganization went through, and I was laid off at the age of 25, that as long as I stayed on the extra board and was available I could draw these displacement benefits for the next 40 years?

Mr. ADAMS. No. What happens on this is that you are offered a job by the new company, and if you refuse to take it then you do not draw benefits. If, on the other hand, you are not offered a job, and you go out and work for another company, or in another system, then whatever you get is deducted from the protective allowance. There is a formula as to how much you get. The breaking point, as the gentleman states, is correct, it is 5 years. And this is paid through the Railroad Retirement System so that we have a profile on each man.

But it is not contemplated that a man can simply sit on the extra board and be paid, and it is not required that he do that. In fact, what this provides for the first time—and it has been a breakthrough in labor-management relations—is that since we have 6 railroads and people on these various properties, this is the first time that a man can be taken from one property, placed on another property, and shifted to a different location, so that the man will be absorbed. This is the system, and it is not contemplated that there will be, as the gentleman said, an extra board member who just sits at home and draws his money.

Mr. DENNIS. But as long as one is available and takes the job when he is called, he gets the difference made up; does he not?

Mr. ADAMS. Yes, if the management decides that they are going to keep this kind of board. We are certainly hopeful that the whole thrust of this is that the management is not going to keep that kind of practice, and they do not have to under this bill, because the regular labor agreements do not require that, and the second part is that they will negotiate new ones.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Washington.

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

Mr. ADAMS. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I rise to ask the gentleman a question. Is the gentleman telling this Committee that all of the employees that are now employed will continue to be employed? That there will not be any displacements?

Mr. ADAMS. No; there will be displacement.

Mr. SKUBITZ. My colleague admits that there are going to be certain employees with 5 years of service who will be displaced.

Mr. ADAMS. There certainly can be some. What I am stating to the gentleman is that, since he mentioned the extra board and the management just keeping somebody in there and paying him for doing nothing, that is not part of this.

Mr. SKUBITZ. What then happens to the protected employee who loses his job under this plan and who is not offered any job? Does he not receive his monthly wage so long as he is on furlough?

Mr. ADAMS. That can happen. I am just saying we are not going to start with the 5-year employees first. Management has to have some say-so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KUYKENDALL. Mr. Chairman, I yield to the gentleman from Indiana [Mr. HUDNUT] such time as he may consume.

Mr. HUDNUT. Mr. Chairman, the bill we are considering today, H.R. 9142, may very well be the most important one of this session. The entire U.S. economy is faced with a potential crisis because of the threatened liquidation of the Penn Central and five other carriers operating in the Northeastern part of the United States.

This legislation has been the subject of extensive deliberations for a period of 6 months before the full Interstate and Foreign Commerce Committe and the Transportation Subcommittee. While the deliberations have been enveloped in a significant amount of controversy, all of us on the Committee recognize the complexity of the issues involved and the severity and immediacy of a need for a solution to an evergrowing crisis.

Basically H.R. 9142 would—

Set up a nonprofit federally owned Federal National Railway Association whose leadership would carve out of the present rail system a core that would be turned into a profit-making railroad. The association would also provide financing to acquire and upgrade the new rail system. It would have authority to guarantee up to $1 billion in private loans to finance the arrangements.

Create a for-profit Northeast Rail Corp., which would own and operate the new railroad system. At the start, 100 percent of the corporation's stock would be owned by the creditors of the present bankrupt northeastern railroads. This would be the payment for acquisition of tracks and equipment from the bankrupt companies. Additional payment could be up to $500 million in loan guarantees.

Workers who are displaced from their jobs and not rehired by the new railroad would be given financial protection.

While I share the concern expressed in the supplemental and additional views of the committee report with reference to the potential costs—and hope that we may be able to adopt some effective amendments in regard to this aspect during floor debate as suggested by the Secretary of Transportation—on the whole I feel the bill brought out by the Committee embodies a realistic and practical approach for resolving the Northeast railroad problem and that it merits support.

The entire U.S. economy would suffer drastically if these northeast railroads were liquidated; and the impact on my own state of Indiana would be immediate and staggering, creating widespread industrial layoffs and disruption of essential transportation services.

One particular example involves a GM Chevrolet-Division plant in Indianapolis. This plant receives 34 loaded cars each

day and sends out 85 loaded cars per day. The service provided by the Penn Central is crucial to the operation of this plant as well as others operated by General Motors throughout the country. Any disruption in service, however temporary, will have a domino impact on the entire corporation and would result in complete cessation of all GM operations within a week. This would include even those in locations not served by the northeast system, whether in Georgia, Texas, California, or elsewhere.

In addition to the economic impact there would be other serious consequences involving the population in other ways. For instance, the president of the Indianapolis Water Co., Mr. Thomas W. Moses, has written me as follows:

> Our White River water purification plant is served at the present time by the Penn Central Railroad. This plant provides approximately two-thirds of the public water supply for the metropolitan Indianapolis area. With a plant of this size, it is expedient and economical to utilize bulk rail or truck transport of chemicals. Unfortunately chlorine, which is essential in providing a bacteriologically safe water quality to the consumer, is only available by rail delivery. While our receipt of chlorine shipments is only at approximately monthly intervals, prompt delivery is critical.
>
> We realize we are but one of many industries within the area which would be vitally affected by such railroad action. However, we felt you should be aware of the influence our situation would present to many of your constituents.

While I am under no illusion that this immediate legislation, as embodied in H.R. 9142, will be a complete solution to the problems experienced by the railroad industry in the United States, it will maintain essential services in an important region of the Nation. It is in the public interest that this bill be adopted to meet the urgent needs which prompted its consideration.

However, in my opinion, we must not feel our job has been completed with the passage of H.R. 9142. Rather, the Congress and the executive branch must fashion long range programs, including a viable national transportation plan. One essential step is to have a program for upgrading track and roadbed conditions much as we have done in the interstate highway program.

As I have pointed out previously, I feel we must have a balanced transportation system, with railroads playing an important part, if our economy is to continue to grow and prosper, and if we are to address ourselves to the energy crisis in a constructive way.

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

First, I also want to join with Mr. STAGGERS and Mr. DEVINE in congratulating Mr. SHOUP and Mr. ADAMS, Mr. JARMAN, and Mr. HARVEY, and the other members of the subcommittee, and the counsels, too, by the way—whom we give a hard time—for the unbelievable amount of work that has gone into this piece of legislation.

I am going to surprise some of the Members just a bit by spending the first couple of minutes talking about the strong points of this piece of legislation. The first of these strong elements of putting together a piece of legislation that will create a railroad that can survive as a free enterprise entity is the creation of the Federal National Railroad Association, which is the lending organization, to be sure that the new railroad has an adequate amount of money for modernization. This organization is created at the same time that the framework for the new railroad corporation is created. The Members will notice that I say "framework" because in the beginning that is all it is.

The second item—and this is very, very important, and this is important for the survival of the new railroad and important for the value of the stock in the new company—is that we are allowed what is called a selective taking, meaning that the new corporation is going to be given only those railroad lines which are probably going to be profitable. So the railroad itself is picking up the very best parts of the entire eastern railroad system comprised of part of seven present railroads.

Third, it is intended—and here is a place where there is a difference of opinion in the Committee as to whether the vehicle will work properly—that the bankrupt estates be given only stock, as the gentleman from Washington stated. One hundred percent of the stock in the corporation is to be given to the estates of the seven bankrupt railroads for 100 percent of the property in the corporation—for stock 100 percent; for ownership, 100 percent.

I shall introduce a minor amendment to correct what I believe is an error in the bill, which would allow a part of the $200 million allowed for acquisition to go to profitable railroads that are involved in the system in a very minor way.

Lastly, as far as the strong points of the bill are concerned, this corporation will go into being without any debt at all, except a maximum of $200 million for acquisition purposes.

Immediately it can acquire from FNRA $300 million approximately—this is not in the legislation—for operating capital and a minimum figure of a half billion which must be kept in reserve by FNRA if needed for modernization of the new railroad.

This is the key to the whole future success of this railroad, the fact that it will be modernized.

Let me speak, if I may, to three amendments which I consider essential for the long-range success of this whole operation and primarily, however, for protection of the taxpayer. In the past we in the Transportation and Aeronautics Subcommittee and in the Committee on Interstate and Foreign Commerce have said any time that management and labor will bring in an agreement that they themselves have arrived at, we will look upon it in a favorable way. In these negotiations, however, this is a three-way negotiation with the taxpayer involved in a very large way, and the taxpayer was not in these negotiations. So I do not believe we can accept this as a normal labor-management agreement. The labor people were in it 100 percent properly. They were represented by the same people who will represent them in the new railroad, taking care of them under the same circumstances that they will be taken care of under the new railroad. But management was not represented by the people who will be running the new railroad. The taxpayer was not represented at all.

I had intended, and it is in my separate views, that I would introduce an amendment against the expansion of the scope of FNRA to include connecting railroads. I shall not introduce that amendment because I have learned from the gentleman from Iowa (Mr. GROSS) about the conditions of the Rock Island. He has convinced me that this was brought about by the dalliance of the ICC and the delay of the merger proceedings. So I shall not introduce that even though I do object to FNRA broadening its scope this early in the game.

May I have the attention of the Members and I shall try to make the strongest point I can concerning one of the amendments. I shall direct no amendment at anyone who is left unemployed by this legislation. Every single employee of the railroads that are going out of business will have one of three things happen to him. He will either be severed with severance pay or retired. That is the first thing that will happen. A great many of them who will be near retirement will be offered early retirement. Those with less than 5 years of service will be given severance pay. The people the railroad does not have a job for but who have more than 5 years, service will be given furloughs. Thirdly, there are the people who are working regularly.

Neither of my amendments is directed, and in fact they carefully avoid it, at any contact with the people who are on furlough or the people who are being severed. My amendments only direct themselves to the people who are working for the new railroad. They will be working for the new railroad.

A major departure from the previous labor practice of determining what a year's pay is was arrived at in this agreement and is in the bill. Previously a year's pay—and this is what was in the Amtrak legislation and this is what was in the Pennsylvania-New York Central merger—has previously been going back to the last 12 months in which a man worked at all. If he did not work at all they skipped that month and went back to the 13th month.

There is a new formula here which goes back and picks up the last 12 months in which the man works more than half the time. It does not take into consideration a month which had a great deal of overtime. It may go back 13 or 14 or 15 months. In some cases we may have an annual pay here arrived at in the bill which is 20 to 30 percent more than the collective bargaining salary that the man working for the railroad will obtain.

My amendment will limit the taxpayer paid bonus.

Now, remember, the difference between this artificially arrived at salary and the salary arrived at by collective bargaining, that bonus which could be $2,000 a year in some cases will be paid for out of the taxpayers' pocket until age 65. In some cases it could be 30 years.

My amendment will limit that bonus to the workingman, not the unemployed,

the man who is working. My amendment will limit that bonus to 6 years.

This is a relocation allowance. He is moving. He has some inconvenience and, therefore, 6 years is deserved and is adequate. That is the amendment that I shall offer on the 6 years. This is the reason why.

To answer the gentleman from Indiana (Mr. DENNIS) on the question of the man who is on furlough, who is sitting there doing nothing, and say he is 30 years old. The way the system works is this. On a seniority rotation basis, the next job up in his classification bracket must be offered to him. If he refuses that job, regardless of the transfer, he is severed immediately. He does not get a continuing pay any longer.

Now, in the UTU Union, the operating unions, they are not long on employees. The operating unions are not long on employees. One of the unions, the Clerks Union, does have a lot of employees, so the social cost of picking up these younger people as they come up in the seniority, even though it is terribly expensive, is something that we necessarily have to face up to.

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

Mr. KUYKENDALL. I yield to the gentleman.

Mr. DENNIS. As I read the bill and understand it, anyone who qualified as a protected employee is entitled to a monthly displacement allowance, anyone who is a protected employee and has been deprived of employment or adversely affected in compensation is entitled to a monthly displacement allowance equal to the difference between his monthly earnings, if any, following the conveyance pursuant to the chapter and the former compensation is equal to that until he is 65 years old.

Mr. KUYKENDALL. He can only draw that until the time that his name turns up in the seniority circle and he must by the terms of this bill be offered employment. He could be transferred from Bethesda, Md., to Bangor, Maine, but he has to be accepted.

Mr. DENNIS. If he is fortunate enough not to be offered that employment, he is still eligible?

Mr. KUYKENDALL. Well, I will join with the gentleman from Washington on this. I think it is almost impossible to assume that seniority turnover will not get to those people, all of them, in a reasonable period of time, 5 to 6 years.

I know that the retirement alone on the other end will take care of the majority of those where they will definitely be off, but by law they have to be offered the next job.

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

Mr. KUYKENDALL. I yield.

Mr. DENNIS. If he is offered some employment after a few years, that it is not equal to what he had previously, does he still draw the difference?

Mr. KUYKENDALL. My amendment would limit an employee drawing it until he is 60 years old.

Mr. DENNIS. Under the bill he would draw the difference?

Mr. KUYKENDALL. In the bill he would draw the difference for his working life. This is what I am objecting to, because I cannot imagine anybody in the eastern region of this country wanting some C. & O. employee in their city working under exactly the same collective bargaining agreement drawing 15, 20, 25 percent more to do the same work. The C. & O. employee would be drawing that much less than the urban employee and the bonus would be paid out of the taxpayers' pocket. This is what my amendment strikes at.

It is only for the people that are now working. I do not want to get into the matter, as I mentioned in the beginning, of the person who is not employed. The person who is employed and drawing a bonus out of the taxpayers' pocket above his regular salary is about the most serious defect of this bill.

Mr. DENNIS. He can still draw that bonus up to what his previous salary was, the difference between what he is getting and what he was getting before. The taxpayer still picks that up until he is 65?

Mr. KUYKENDALL. In this bill, all severance pay or pay of furloughed employees, and this bonus of regular employees is paid by the taxpayer.

Mr. DENNIS. I am not arguing about a transfer, but it just seems to me a long time. They can run this thing maybe 40 years.

Mr. KUYKENDALL. I am saying that if the gentleman wishes to offer an amendment on that, he may. I think maybe the gentleman from Iowa may.

Mr. DENNIS. Mr. Chairman, I have one more question while I am on my feet, and then I will desist. This applies to people who are defined as protected employees?

Mr. KUYKENDALL. Yes.

Mr. DENNIS. I gather the protected employee belongs to the Brotherhood and is protected up to $30,000 a year. If he is unorganized, it is only $20,000. What is the reason?

Mr. KUYKENDALL. It is not true.

Mr. DENNIS. All right, then it is not true.

Mr. KUYKENDALL. May I explain, please?

Mr. DENNIS. Yes.

Mr. KUYKENDALL. The gentleman is talking about my amendment. The cutting back from 30 down to 20 is to prevent executive featherbedding. Only management and executive people are cut down. Non-organized people are covered exactly the same as organized people in this legislation, just exactly.

However, I worked as a manager for 16 years and I never had more than 30 days tenure in my life, but to give management and executive personnel guarantees to $30,000 a year I think is absolutely ridiculous.

Mr. DENNIS. What the gentleman is telling me is that if I am a track worker or something else, but I do not belong to the union——

Mr. KUYKENDALL. This has nothing to do with the union, but whether or not a person is a manager or executive.

Mr. DENNIS. If I am not a manager or executive but I am an unorganized worker, I can get $30,000?

Mr. KUYKENDALL. Right.

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

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

Mr. KETCHUM. Mr. Chairman, so that I have this clear, the gentleman's amendment will reduce this back to 6 years?

Mr. KUYKENDALL. That is right.

Mr. KETCHUM And only for those who are working?

Mr. KUYKENDALL. I leave it so long as they are employed.

Mr. KETCHUM. Would that not mean that if an individual were working and making $15,000, he could actually be making $15,000 more, or $7,500 more?

Mr. KUYKENDALL. The gentleman is talking about if he is not working for the railroad. Let me try to explain what I think is his misunderstanding. If a person has been drawing $15,000 a year, and is furloughed—and by the way, there are not going to be any $15,000 a year men furloughed because that means a lot of seniority and we will find that they are at lower pay than $15,000, so I do not think we will find hardly any $15,000 people furloughed. However, if they were, and this man could get a job making another $15,000 over and above his furlough pay, he would lose half of it, so the $15,000 a year man is probably on the formula if he goes to work on a union negotiated pay for $15,000 and will probably be paid a bonus of another $2,500 or $3,000 from the taxpayer. That is what I object to in the 6 years.

Mr. KETCHUM. Mr. Chairman, one further question. If this bill were not passed at all and we throw the railroads back to the wolves, so to speak, what happens to those employees?

Mr. KUYKENDALL. Well, the railroads are not going to be shut down. If there were such a thing, what I think we are fixing to ask here and one of the reasons I wanted to cut out executives and managers and limit those to 6 years, was that Ford Motor Co., when they shut down in Memphis, Tenn., there was not any such thing as all of this. These people happen to be working for essential transportation and turmoil caused in the Northeastern part of the United States by the shippers and all the politics in the world, would end up in nationalization. It would be a cost to the taxpayers of $10 billion.

This is what we would end up with, because they would not be shut down. The transportation worker by his very nature has an advantage over everybody because he is a part of an essential transportation industry.

However, I do not think we need to go that far. I think the fact is that a man who is working, who is employed, should not get this extra bonus for more than 6 years.

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

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

Mr. RUPPE. Mr. Chairman, am I correct in understanding that considering the categories of one who is either furloughed and cannot get a job and one who is furloughed and gets a job elsewhere, both of these categories of individuals will make more money in so doing, by getting laid off and getting a job

elsewhere, than they would get working for the railroad?

Mr. KUYKENDALL. Theoretically, the man who is not working will make more money than the man who is, because he will not be required to pay into the Railroad Retirement Fund, he will not have to pay for hospitalization insurance or any of those things, so in that way he will be getting more money. The original amount of the pay check will be the same.

Mr. RUPPE. He will be getting more money than he, himself, got before he was laid off, so he is in effect better off under this system, God help the taxpayer. If he were laid off or no matter what would happen, if he were not laid off and went to work elsewhere, he would receive better real wages than he had heretofore?

Mr. KUYKENDALL. I will make this clear.

Mr. Chairman, I have complete faith in the mechanism which will get practically all of these people off furlough in a very short number of years, because the law says that they have to be taken in order and taken off furlough just as soon as a position is open anywhere in the system.

Mr. RUPPE. Mr. Chairman, will the gentleman yield on another point?

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

Mr. RUPPE. Mr. Chairman, when they are taken back, are they taken back across the board or are they taken back by various trades and crafts?

I ask this question, because, as I understand it, some trades are in short supply and some trades or crafts are in very long supply or are in surplus, and it could very well be, from my understanding, that some will find themselves in a pool that was not contemplated, and it could be a very great number of years before they are recalled.

Mr. KUYKENDALL. It is my understanding—I do wish to ask the gentleman from Washington this question later—it is my understanding that we do not cross craft lines.

If the gentleman wishes to volunteer that information, he may.

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

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

Mr. ADAMS. Mr. Chairman, the gentleman is correct. We do not cross craft lines, but this would not change the situation in the respect the gentleman is discussing.

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

Mr. KUYKENDALL. Yes, I yield.

Mr. RUPPE. Mr. Chairman, the employee would have no reason to go back to work, because if he went back to work he would lose money from his income. Under this situation, if he worked elsewhere or, in fact, did not work, he would do better than if he worked; he would be "hogtied on the finish line," so to speak, and if he were to take a job if he was not compelled, why should he do so?

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

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

Mr. ADAMS. Mr. Chairman, as I have previously stated, we have to rely on the fact that management is going to offer people jobs in the organization and we will organize this system so that people will work within it. If they all do work, as the gentleman pointed out, and are allowed to be called under the extra-board system and they do rotate on seniority in these various crafts, I am hopeful that we are going to have a good organization in this industry. If they do not, the system will not work, as the gentleman pointed out.

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

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

Mr. SHOUP. Mr. Chairman, am I correct that although in the subcommittee there was a great deal of difference in the particulars on the employee protection discussion and on this particular title, title A, there was unanimity among all of us that whatever went in, it would not be job protection, but, rather, employee protection?

Mr. KUYKENDALL. Mr. Chairman, the gentleman is correct.

This is aimed at the employee, and I will not deny for 1 second that the pay to the people who are unemployed is high. I will not deny for one single instant that it is expensive to the taxpayer.

The first amendment I will offer—and I will discuss it last—has to do with something which I will cover very quickly.

Everyone is concerned about what a court may order later on to be paid by the corporation in what might be declared to be a deficiency judgment. As long as you are dealing through the courts anything that you deal with may be appealable and ultimately go to the Supreme Court. So the only thing that is absolutely certain is the auction block. That is the only way you can be sure it will not be thrown back into your lap by the Supreme Court later on.

However, early in the bill there is a provision that requires the court to make a total decision as to whether, first, the railroads are truly hopelessly bankrupt or whether or not the railroads can be reorganized under the provisions of bankruptcy law or, third, whether to go forward under this bill.

This bill gives that court only 60 days to make that determination, which is no choice at all, really. We are afraid that if he is forced to make the choice between liquidation and accepting the offer under this bill, later on it will weaken our case in court on deficiency judgments.

So my amendment will require—and this particular copy has not gotten to the gentleman from Washington, and I am very sorry on that—that the judgment as to whether or not the railroads are truly bankrupt, which has already been made on six of the seven of them, is made in the initial 60 days.

The 300 days means that the court will get, along with the board, a copy of the first version of the plan itself. Then the court can look intelligently at the plan and get an idea as to whether this stock we are offering will be viable or not.

For instance, if the plan has a bunch of fat in it and has built-in losses in it because of excessive trackage, then the court knows full well that the stock will not be worth anything in the future. If the plan looks viable and profitable by having short trackage, the court knows that the stock will be worth something in the future. So within 60 days after that 300 days they will have had time to study the plan. At that time the court will decide whether to accept the bill, in other words, the shares of stock, or to liquidate. By doing that they can prevent condemnation and prevent a mandatory taking, and later on when the court tries the deficiency judgment that Department of Transportation and the railroads will have a great deal better chance to prove that the judge who accepted the offer had a true choice and time to study it.

The vehicle projected by the gentleman from Montana and the gentleman from Washington of requiring the court to make the decision, in my opinion, is a sound one. The only thing I am disagreeing on is the final decision between accepting the stock or liquidation should be made after the court has had 60 days to study the plan.

So acknowledgement of bankruptcy with the same 60 days that is in the bill and the determination as to whether to go the route of this bill, H.R. 9142, or to go by way of liquidation is made in 60 days.

Mr. SKUBITZ. Will the gentleman yield?

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

Mr. SKUBITZ. The gentleman has pointed out that there is a proviso in this measure to take care of the Rock Island Railroad which finds itself in desperate straits.

Mr. KUYKENDALL. That is correct.

Mr. SKUBITZ. I am not opposed to the proviso, but what troubles me is the language of the proviso. Let me read it. In section 202(a) of the bill the proviso says:

> Provide assistance in the form of loans to any railroad which (A) connects with a railroad in reorganization, and (B) is in need of financial assistance to avoid reorganization proceedings under section 77 of the Bankruptcy Act.

Nowhere do we define the word "connect." I have made an inquiry about the MKT Railroad that goes through my State. The MKT is a joint owner of the same facilities with the Pennsylvania Railroad in St. Louis. I am sure there is an interchange of freight.

If there is joint ownership of the terminal and an interchange of freight and the railroad is in danger of becoming bankrupt, would the gentleman say that the railroad would be eligible for loans under the proviso.

Mr. KUYKENDALL. They would fall under the other definition, yes, they would.

Mr. SKUBITZ. I thank the gentleman.

Mr. KUYKENDALL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Chairman, I would like to compliment the Committee on Interstate and Foreign Commerce for reporting out a basically good bill.

It does have some defects, and I must

say that I am sure that some of the blame for the defects in the bill which, as I say, is a basically good bill, falls on me. I have some knowledge about railroading, and I told the gentleman from West Virginia (Mr. STAGGERS) that I would give the gentleman a report of what I thought should be done, but I never did get the report to the gentleman. So I cannot be critical of the gentleman.

Mr. Chairman, I have been utterly amazed at some of the questions and statements that were made here on the floor today. My distinguished colleague, the gentleman from Ohio (Mr. SAM DEVINE) talks about how unwise it would be to spend $1.4 billion. That is a totally incorrect statement, because we have been spending billions upon billions of dollars in subsidizing other forms of transportation.

Also I cannot understand my distinguished colleague, the gentleman from Michigan (Mr. RUPPE), who made quite a point about the pay of these employees who would be laid off because, as the gentleman from Tennessee (Mr. KUYKENDALL) has already explained, the gentleman is going to offer an amendment that would basically take care of that.

Mr. KUYKENDALL. Mr. Chairman, would the gentleman yield for just a moment?

Mr. WILLIAMS. I yield to the distinguished gentleman from Tennessee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Chairman, I would like to correct one little misunderstanding, and that is that the gentleman from Ohio (Mr. DEVINE) did not object to the $1.4 billion; the gentleman regretted that it might not be enough. So the gentleman did not object to that.

Mr. RUPPE. Mr. Chairman, if the gentleman will yield, I think the gentleman from Pennsylvania is referring to my point that the employees who get laid off in this instance will make more money than they would have made if they had stayed on the job.

The other point I was trying to make is that there are dozens and hundreds of my people, located in my district in Michigan who, when they get laid off each day they go down to the unemployment office to take care of their problems whereas in this particular situation we are giving a group of people tremendously federally financed benefits, the like of which we have never seen in any negotiated or legislative settlement in labor-management negotiations in a long time.

Mr. WILLIAMS. Apparently the gentleman from Michigan has missed my major point, and that is that the gentleman from Tennessee (Mr. KUYKENDALL) has already stated that he is going to offer an amendment which will take care of that to a very great extent.

Mr. Chairman, I do not see why it should be any surprise to anyone today for us to be talking about saving the railroads, because for many, many years we have been doing our best to put the railroads out of business. We have spent a fabulous number of billions of dollars in building the Interstate Highway System. I go home to my district almost every weekend, and in driving on Interstate 95 from just beyond Baltimore to Philadelphia, I pass, going both ways, the equivalent of about five huge freight trains of trucks carrying business that normally would go to the railroads.

They are riding on the interstate system which has been built and which is being maintained by tax money. Also every year we spend hundreds of millions of dollars in making grants to municipalities for airports. Every commercial plane that we have today that is being produced in any volume at all is a direct outgrowth of a military-type aircraft for which the military paid billions of dollars for the research and development, design, and then building the prototype.

The 707, as an example, a commercial airliner that is in use all over the world today, is an adaptation from the Air Force tanker plane. Then from the 707 we got the 727, the 737, and ultimately the 747. But it was the Federal Government through the Department of Defense that spent billions of dollars, that the airlines would never have been able to afford, to develop these airplanes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KUYKENDALL. I yield the gentleman from Pennsylvania 2 additional minutes.

Mr. STAGGERS. I yield the gentleman 2 additional minutes.

Mr. WILLIAMS. I thank the gentlemen for yielding additional time.

Mr. Chairman, the point I am making is that this Congress has been taking action to put the railroads down the drain. A lot of this, of course, has been due to some rather stupid management on the part of the railroads.

After the merger of the Pennsylvania with the New York Central, the president, Mr. Saunders, started to build up a conglomerate. One of the best railroadmen in the country, Mr. Pearlman, the vice president, was not even consulted. Mr. Saunders did not even speak to him. I had a chance to hear Mr. Saunders testify before the gentleman's committee, and his testimony was pathetic.

However, we must remember this, that when the Penn Central was permitted to go into bankruptcy—and it never should have been permitted to go into bankruptcy—Judge Fullam of the eastern district of Pennsylvania, appointed four trustees: Jervis Langdon, an attorney who had been president of the Baltimore and Ohio Railroad, which railroad escaped bankruptcy by merging with the C. & O. Then Jervis Langdon went with the Rock Island, which is in very, very bad shape today. The second trustee was a Harvard professor named Baker who never had 5 minutes of actual experience in railroad work. The third man was Richard Bond, whose family owns the Wanamaker's Stores. Richard Bond is regarded as a Philadelphia socialite. They also made one good appointment, Willard Wirtz, who knew, at least, how to deal with labor.

Willard Wirtz walked off of the job over a year ago when the recommendations made by the trustees were totally ignored. If the ICC got a petition for a raise or a decrease in rates, it took them a year or a year and a half to respond to it. If a line was operating at a loss, and perhaps the corporations had moved away that were manufacturing the goods which the railroad was carrying, the railroad was ordered to continue that service until the ICC reached a conclusion, and sometimes it took a year to a year and a half. At no time did anybody consider putting in a real management team of people expert in the operation of railroads.

Make no mistake about it, the railroads can be operated at a profit. Before the merger of the Pennsylvania Railroad and the New York Central, the Pennsylvania Railroad was a profitmaking corporation and had been for many, many years. However, in addition to Congress subsidizing other forms of transportation, and in addition to some rather stupid management on the part of the railroad executives, they had labor to deal with, and railroad labor has adopted the most asinine set of working rules one can imagine.

Let us just take the example of a freight train crew that was supposed to pick up a freight train at a terminal at a certain hour, and the train was 4 hours late. For 4 hours they were sleeping in the terminal or perhaps playing cards. Then they took over the railroad train, and all those 4 hours counted toward the 12 hours that they could work maximum. Eight hours later, regardless of where that freight train is, it is stopped. It is up to the railroad company to get another crew out there.

A railroad man who works a split shift, such as on a commuter service in a major metropolitan area, works 4 hours in the morning and for that he receives a full day's pay. When he comes back for 4 hours work in the afternoon he gets paid at a rate of time and half time.

A railroad crew gets a day's pay for taking a freight train 100 miles or a passenger train 150 miles. With today's equipment if he does twice that distance he gets paid 2 days' pay.

So what we have here is a situation which we have helped to create and which the railroad employees have helped to aggravate, and we cannot afford to let the railroads go out of business.

When we are talking about $1.4 billion, or $4 billion, I can tell the Members that once these railroads are put back in operating condition they can be profitmaking. In just the first 3 months of this year the Penn Central lost $27 million, because of an insufficiency of freight cars. Once we make the equipment available to them, they can be profitmaking.

What we have got to do is correct our own mistakes, and we are the major culprits, the Congress of the United States. At the same time we have to correct the mistakes of railroad management and railroad labor.

Under no circumstances can we afford to let the railroads go out of business.

It is my intention to vote for the amendments to be offered by the gentleman from Tennessee (Mr. KUYKENDALL) and to vote for this bill.

Again I do commend the Committee on Interstate and Foreign Commerce for the fine job they have done.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Pennsylvania, Mr. FLOOD) such time as he may consume.

Mr. FLOOD. Mr. Chairman, simply stated the bill now before this body is absolutely crucial to the future economic survival of the Northeast United States, and especially northeast Pennsylvania. I will not herein review the litany of delay and confusion which has accompanied all attempts to come to grips with the sad condition of the railroads in the Northeast—they are all too well known by all of us. What I wish to briefly point out is that this legislation is a first step that must be taken; a step which the Congress has carefully examined and found to be necessary.

All eyes are now on the Congress. The railroads have attempted to solve their own problems and now look to the Congress. The rail labor unions are in a precarious position and now look to the Congress. The Interstate Commerce Commission has attempted to come up with a solution and now looks to the Congress. The U.S. Department of Transportation is deeply concerned with this situation and now looks to the Congress. The Federal courts have before them numerous litigation to rescue some of the parties in the crisis and now look to the Congress. But first, and foremost, the people have their eyes on the Congress. They know that the rail system is as crucial to their economic survival as is their own circulation system to their physical well being. Without the benefit of rail service—and believe me if this bill does not pass intact there will be a serious question as to whether or not they will have service—without that service, the people of the Northeast will suffer a serious slowdown of the delivery of vitally needed goods and services. The potential impact of the closing of the so-called branch lines is even more devastating, for with such closures will come—and I absolutely assure each and every one of you that this is so—with the closure of the branch line will come the shutting down of scores of plants, industries, and other businesses.

Eliminate the branch lines and you eliminate the economic means of transporting crucially and vitally needed materials which are used in the plants and businesses throughout the Northeast. Now I ask you—if we make no provision for maintenance of the branch lines, if we forsake our responsibility to deal fairly with the very people whose economic survival is at stake here—will we have solved the problem? Or will we have instead forsaken these people to go it on their own. I maintain that if the Federal Government is to become involved in the running of the railroads in the Northeast—and that we are doing here today—that the very minimum concern must be complete equity for those people who will be affected by our actions. It is patently unjust to even consider the withdrawal of support at this time for the branch lines.

For these reasons, I wish to commend the House Interstate and Foreign Commerce Committee, ably and brilliantly led by its chairman, the gentleman from West Virginia (Mr. STAGGERS). The bill which that committee has reported out to this body, a bill bearings the concerted expertise of the gentleman from Montana (Mr. SHOUP), the gentleman from Washington (Mr. ADAMS), and scores of others, has been carefully and judiciously written to provide the maximum amount of equity to all who will feel the impact of the bill.

These gentlemen have spent countless hours studying and investigating and drafting and redrafting this bill until they came up with what most consider a good program. No one is prepared to say that this bill is the be-all and cure-all and end-all of the difficulties we collectively face in the Northeast; but those of us who have strived to seek a solution after careful reflection feel that this is the best solution at this time.

Former Governor of Pennsylvania William Scranton, a man all here present will acknowledge as possessing the qualities of leadership and high intellect for which he has been long admired, has lent his time to organize and represent many of the concerned citizens in the northeastern region of Pennsylvania who are closely affected by this legislation. By volunteering his time and energies, Governor Scranton has assisted in the creation of a plan which will not forsake the people of the Northeast—and such a plan is H.R. 9142, the bill before us today.

Countless groups and organizations have spent and invested their time to this proposal so as to guarantee that the Northeast will economically survive the rail crisis. The can-do group in Hazleton, Pa.; the Economic Development Council of Northeastern Pennsylvania; and scores of other interested parties in my congressional district have lent me their expertise in coming up with a solution which meets their needs while at the same time is not contrary to the needs of the Nation as a whole. That solution is H.R. 9142 as it stands now before us.

That this bill is far-reaching is true. But the problem calls for a far-reaching solution. By organizing the bankrupt Northeastern railroads into one self-sustaining corporation to provide public service while preserving competitive private railroads is the answer. The protection of the railway labor unions, whose members may suffer severe dislocations otherwise, is the answer. The establishment of a Federal National Railway Association and the for-profit Federal Rail Corp., is the answer. Mr. Chairman, the answer to our problem is here in this bill before us today—the courts, and the unions, and the ICC and the Department of Transportation, and the States, and the municipalities, and the businessmen, and the consumers need seek no further.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I rise today in support of H.R. 9142, the Regional Rail Reorganization Act of 1973.

I would like to commend the prodigious efforts of the gentleman from Washington (Mr. ADAMS) and the gentleman from Montana (Mr. SHOUP) in drafting this legislation and working so hard for its passage.

I also wish to commend the distinguished gentleman from West Virginia, the chairman of the Interstate and Foreign Commerce Committee, Mr. STAGGERS, for his help in bringing this truly crucial legislation to the floor with all deliberate speed.

H.R. 9142 offers the only realistic approach to the problems of six bankrupt railroads that serve the Northeastern United States.

The bill would create a Federal Rail Corporation which would operate the reorganized railroads as one system on a profit-making basis.

A Federal National Railway Association similar to the highly successful Federal National Mortgage Association would finance the corporation with an up-to-$1 billion guaranteed loan authority.

The bill contemplates the development of a final system plan for the Northeast, which would delineate the services to be offered and the lines to be used in the new rail system.

While this process is going on, Federal funds will be made available in the form of operating subsidies to keep the bankrupt lines in operation.

Thus, when the final system plan is eventually approved by the Congress, it can be implemented without a shutdown of the lines involved.

Further, protection will be extended to both the creditors of the railroads and to railway employees. The investments of the former will not be jeopardized in the event of mandatory transfer of rail assets. Employees of the six railroads who may not be offered jobs under the new system will receive benefits to compensate for the loss of their jobs.

The great advantage of H.R. 9142 over other means of railroad assistance is that it treats the problems of these bankrupt lines comprehensively.

Factors, such as the community impact, and employment levels are considered, along with the economic profitability of various sections of track to the whole system.

The plan that results from this exhaustive study should reflect all of the realities of the railroad situation in the Northeast today.

The end result, if there has been competent planning and sufficient investment on the part of Government, should be a self-sustaining, profitable corporation that can provide public service and preserve competitive private enterprise in the rail industry.

Mr. Chairman, the six bankrupt railroads in the Northeast are part of the economic bloodstream of New England.

If they fail—as it seems they must without massive assistance such as is offered by H.R. 9142—New England will be indeed hard hit.

New England is particularly dependent on two bankrupt railroads, the Penn Central and the Boston and Maine for rail service.

Many heavy commodities produced in or imported into the region could not be transferred to other types of transportation if these railroads were to fail.

Even if shifts could be made, costs would skyrocket.

Moreover, a recently published study of the Boston and Maine shows that the demise of this railroad alone would result in loss of up to 50,000 jobs in New England.

Let me emphasize, however, how important the Northeast railroads are to the rest of the United States.

A New England rail disaster would be a national rail disaster as well.

Statements made before the Senate Commerce Committee at its hearings of the Penn Central problem stressed that it is a mistake to think that only New England or the Northeast would be affected by a curtailment of rail service that would result if the Penn Central or other Northeast railroads were to go under.

Information presented at those hearings indicated that economic activity in the Northeast would drop 5.2 percent by the eighth week of a shutdown, and by 4 percent in the entire Nation.

This statistical data suggests that the "instant recession" which a shutdown of major railroads would cause in the Northeast would "roll through" the rest of the country almost immediately, as factories closed for lack of parts, raw materials, and markets, and farms found themselves cut off from a large portion of the eastern market.

Mr. Chairman, I do not think that more compelling reasons exist for the passage of H.R. 9142 than the continued economic prosperity of our Nation.

I urge all of my colleagues to support this legislation. As an indicator of the impact that failure to pass this bill will mean to the country, I am appending several tables to my remarks which give a picture of the rail shipments to and from the Northeastern States.

I invite each of my fellow Members of the House to consider the tonnage involved in shipments to and from his home State in making a decision on his vote today.

TABLE I.—RAIL SHIPMENTS FROM NON-NORTHEASTERN STATES TO THE NORTHEAST

State	Annual tons	Cars per day
Alabama	4,967,900	300.2
Arizona	884,300	76.6
Arkansas	2,447,900	154.1
California	7,941,700	641.3
Colorado	1,047,000	84.8
Florida	5,177,100	377.8
Georgia	5,449,700	368.3
Idaho	1,633,900	123.4
Kansas	2,506,900	183.3
Louisiana	5,780,900	310.5
Minnesota	46,047,100	520.8
Mississippi	2,017,900	155.5
Montana	1,316,400	78.5
Nebraska	1,327,800	145.6
North Carolina	4,792,000	324.5
North Dakota	650,100	37.6
New Mexico	1,003,300	46.1
Nevada	261,800	11.0
Oklahoma	1,114,700	72.9
Oregon	3,801,700	245.6
South Carolina	2,171,700	153.0
South Dakota	327,100	32.7
Tennessee	3,926,000	285.2
Texas	8,077,600	429.2
Utah	409,100	22.3
Washington	3,019,400	210.5
Wisconsin	6,927,600	535.9
Wyoming	NA	NA

A listing of the 4 largest commodities received by the Northeastern states, shipped by rail from non-Northeastern states (only states shipping over one million tons annually to the Northeast are listed):

STATE AND COMMODITIES

Alabama: Metallic ores, Pulp-paper and allied products, lumber and wood products (except furniture), Primary metal products.

Arkansas: Metallic ores, Primary metal products, Paper-pulp and allied products, Stone-clay and glass products, Lumber-Wood products (except furniture).

Colorado: Metallic ores, Non-metallic minerals (except fuels), Primary metal products, Food and kindred products.

California: Farm products, Lumber and wood products (except furniture), Chemical and allied products, Food and kindred products.

Florida: Farm products, Food and kindred products, Chemical and allied products, Pulp-paper and allied products.

Georgia: Stone-clay and glass products, Pulp-paper and allied products, Lumber-wood products (except furniture), Non-metallic minerals (except fuels).

Idaho: Farms products, Food and kindred products, Lumber-wood products (except furniture), Pulp-paper products, Primary metal products.

Kansas: Farm products, Food and kindred products, Stone-clay and glass products, Petroleum and coal products.

Louisiana: Food and kindred products, Pulp-paper and allied products, Chemicals and allied products, Petroleum and coal products.

Minnesota: Farm products, Food and kindred products, Pulp-paper and allied products, Metallic ores.

Montana: Food and kindred products, Lumber-wood products (except furniture), Pulp-paper and allied products, primary metal products.

Nebraska: Farm products, Food and kindred products, Primary metal products.

New Mexico: Farm products, Food and kindred products, Chemicals and allied products, Non-metallic minerals (except fuels).

North Carolina: Pulp-paper and allied products, Lumber-wood products (except furniture), Stone-clay and glass products, Non-metallic minerals (except fuels).

Oklahoma: Food and kindred products, Stone-clay and glass products, Chemicals and allied products, Petroleum and coal products.

Oregon: Farm products, Food and kindred products, Lumber-wood products (except furniture), Pulp-paper and allied products, Chemicals and allied products.

South Carolina: Pulp-paper and allied products, Lumber-wood products (except furniture), Stone-clay and glass products, Chemicals and allied products

Tennessee: Pulp-paper and allied products, Stone-clay and glass products, Chemicals and allied products, Primary metal products.

Texas: Farm products, Pulp-paper and allied products, Chemicals and allied products, Petroleum and coal products, Primary metal products.

Washington: Farm products, Pulp-paper and allied products, Lumber-wood products (except furniture), Primary metal products.

Wisconsin: Food and kindred products, Pulp-paper and allied products, Stone-clay and glass products, Non-metallic minerals (except fuels)

Mississippi: Food and kindred products, Lumber and wood products (except furniture), Pulp-paper and allied products, Stone-clay and glass products.

TABLE 2.—RAIL SHIPMENTS FROM THE NORTHEAST TO THE FOLLOWING NON-NORTHEASTERN STATES

State	Annual tons	Cars per day
Alabama	4,352,300	246.5
Arizona	759,300	61.2
Arkansas	293,800	30.7
California	7,530,100	810.2
Colorado	1,341,300	144.0
Florida	2,849,700	275.7
Georgia	5,182,600	421.4
Idaho	214,500	14.7
Kansas	1,715,700	163.6
Louisiana	3,048,100	204.6
Minnesota	3,779,300	294.7
Mississippi	1,602,600	108.4
Montana	234,900	18.0
Nebraska	1,165,000	97.3
North Carolina	11,333,100	567.2
North Dakota	196,700	21.8
New Mexico	136,600	15.0
Nevada	88,900	9.2
Oklahoma	1,061,100	101.6
Oregon	768,600	83.6
South Carolina	1,393,100	91.4
South Dakota	121,800	12.9
Tennessee	10,522,300	562.5
Texas	7,309,100	679.0
Utah	607,700	86.8
Washington	1,284,600	197.3
Wisconsin	7,223,300	453.8
Wyoming	87,100	6.0

A listing of the major commodities received by each non-Northeastern state, shipped by rail from the Northeast (only states receiving over one million tons annually are listed.)

STATE AND COMMODITIES

Alabama: Farm products, Food and kindred products, Coal, Primary metal products, transportation equipment.

California: Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Colorado: Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Florida: Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Georgia: Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Kansas: Food and kindred products, Chemicals and allied products, Stone-clay and glass products, Primary metal products, Transportation equipment.

Louisiana: Farm products, Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Minnesota: Food and kindred products, Chemicals and allied products, Stone-clay and glass products, Primary metal products, Transportation equipment.

Mississippi: Farm products, Food and kindred products, Stone-clay and glass products, Primary metal products, Transportation equipment.

North Carolina: Farm products, Food and kindred products, Chemicals and allied products, Primary metal products, Transportation equipment.

Nebraska: Food and kindred products, Chemicals and allied products, Primary metal products, Fabricated metal products (except ordnance machinery and transportation), Transportation equipment.

Oklahoma: Food and kindred products, Pulp-paper and allied products, Chemicals and allied products, Primary metal products,

Fabricated metal products (except ordnance machinery and transportation), Transportation equipment.

Tennessee: Farm products, Food and kindred products, coal, Chemicals and allied products, Primary metal products, Transportation equipment.

Texas: Food and kindred products, Pulp-paper and allied products, Chemicals and allied products, Primary metal products, Transportation equipment.

Washington: Food and kindred products, Primary metal products, Ordnance, Fabricated metal products (except ordnance machinery and transportation), Transportation equipment.

Wisconsin: Coal, Chemicals and allied products, Stone-clay and glass products, Primary metal products, Transportation equipment.

TABLE 3.—RAIL FREIGHT TONNAGES ORIGINATING AND TERMINATING IN THE NORTHEASTERN STATES

State	Tons per day	Cars per day
Connecticut	19,501	481.9
District of Columbia	9,684	182.5
Delaware	17,859	401.4
Iowa	5,628	127.4
Illinois	589,904	9,963.8
Indiana	231,727	4,144.9
Kentucky [1]	51,178	989.3
Maine	37,551	872.1
Maryland	83,729	1,572.1
Massachusetts	48,195	1,292.1
Michigan	169,115	4,340.8
Missouri	43,332	1,161.4
New Jersey	109,441	2,795.3
New Hampshire	11,686	236.7
New York	221,992	4,856.4
Ohio	944,856	10,255.1
Pennsylvania	574,372	9,948.8
Rhode Island	4,438	134.2
Vermont	3,365	97.8
Virginia	346,155	5,093.2
West Virginia	328,004	4,423.0
Total	3,851,701	63,370.1

[1] Only partial data available.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Oklahoma (Mr. JARMAN), the chairman of the subcommittee, such time as he may consume.

Mr. JARMAN. Mr. Chairman, this legislation is perhaps one of the most important bills this House will consider this year. It has great importance to the economy of the entire Nation, and to the defense needs of this country.

First, I want to commend the Subcommittee on Transportation and Aeronautics, and the committee staff for their excellent work on this problem. As chairman of the subcommittee, I can say without reservation that these gentlemen worked exceedingly hard in an effort to reach the most equitable solution they could find for this very complex situation. We began hearings back in April of this year, and met more than 20 times before reporting the final product to the full committee in September.

These members had to grapple with such complexities as bankruptcy laws, creditors rights, grave constitutional issues, corporate finance, securities laws, regulatory practices and the host of issues which are interwoven into this one bill.

The full committee devoted an entire month to this bill. Every conceivable issue was raised, discussed and debated in an attempt to find the best solutions available. With such sharp divisions and sharp differences of opinions on many issues, I can report with great satisfaction that this committee handled its task in a most harmonious spirit, which I am confident helped to expedite the proceedings.

Mr. Chairman, I want to remind my colleagues of the urgency of this legislation. The courts have threatened cessation of services of the six rail carriers in bankruptcy in the Northeast. If these railroads were to close only temporarily, tens of thousands of persons would have to utilize other means of transportation. The cost to our economy in inflation and in shutdowns of our giant northern industries has been estimated to result in a 5-percent decrease in the gross national product. More than 100,000 persons would be thrown out of work. More than 50 defense installations would have to adopt alternative modes of transportation of strategic materials to and from their bases. The Penn Central—only one of the six railroads in the region—is alone the largest single carrier of U.S. mail in this Nation, and the disruption to the mail services throughout the eastern United States would be enormous.

H.R. 9142 is a historic piece of legislation. It attempts to find private enterprise answers to these complex problems, with a minimum of Federal intervention. The six courts involved in the bankruptcy cases now precipitating this crisis are unable to reorganize the entire rail system in the Northeast and, therefore, Congress must assist in that task. The alternative to this legislation is either liquidation of the carriers involved—which would mean immediate cessation of services—or nationalization. Nationalization would cost the taxpayers more than $10 billion. Not one country in the world which has nationalized its railroads is making a profit, nor even breaking even. Nationalization or anything closely resembling such a move would not only be expensive, but it would radically change the entire transportation picture of this Nation. We cannot allow such a thing to happen.

I personally have reservations about some of the provisions of this bill. However, in its larger context, it is a good piece of legislation, one which I am proud to have been a participant in developing, and I commend it to my colleagues and urge passage.

Mr. KUYKENDALL. Mr. Chairman, I yield to the gentleman from Kansas (Mr. SKUBITZ) such time as he may consume.

Mr. SKUBITZ. Mr. Chairman, no one will deny that rail transportation in the Northeast must be maintained. However, I would be derelict in my responsibility as a commmittee member who has been concerned with this issue for more than a year—and directly involved for at least 6 months in an attempt to hammer out a suitable bill—if I did not add cautionary comments.

It is important for the Congress and the American taxpayer to understand what is being proposed—to remedy a critical rail transportation situation in the most industrialized area of the United States.

First, the committee and the Congress has been required to act with a gun at its head; namely, the breakdown of rail transportation in this vital geographic area, coupled with a court threat to shut down operations entirely.

Under such conditions, a balanced view, a fair and equitable consideration of all issues, and the achievement of a result that does not assault the public purse and the public interest becomes a near impossibility.

The committee has been besieged, beleaguered, and persuaded by a combination of powerful interests, each looking to its own self:

The institutional creditors of the Pennsylvania Railroad and other bankrupt roads in the Northeast who now seek to be made whole or as nearly whole as a generous Federal Government will allow.

The management of and lawyers for other railroads, some of which sought a preferred position to feed on the carcasses of bankrupt roads, and others of which made sure the reorganization legislation would be tailored as they cut the cloth.

Government agencies, whose jealousy of each other's status has denied the committee the expertise, the knowledge, and the informed and combined legislative advice that the committee sorely required. Indeed, at least some of the circumstances that brought about this fiasco of the Northeast railroads might be laid at the door of one agency that by law has direct responsibility over the Nation's rail transportation.

Mr. Chairman, the administration opposes this bill in its present form because of the mandatory transfer provisions in this act—and the labor protection title.

The administration argues that a mandatory taking constitutes a taking by eminent domain. Hence the question of fair market value cannot be determined by the Congress as this bill provides but is a matter for the courts to finally determine.

Our committee ignored the argument of the administration and resorted to a constitutionally questionable legal vehicle by which the properties of bankrupt roads, to-be-bankrupt roads, and roads in reorganization, are to be molded into the new quasi-public Railroad Corporation, which the Congress would saddle upon the American taxpayer at costs that no one can fairly assess.

In one circumstance, these properties may be held to be worth upward of $12 to $14 billion, in another circumstance it may be much less. No one knows; no one can be sure.

But whether $1 billion or $14 billion, the ultimate drain on the public purse will be great.

The committee was assured that the new railroad corporation will be an economic success and its common stock a fiscal bonanza.

But no financial expert testified that such stock was marketable and no institution offered to float it to the public.

Indeed, the committee was warned

that Government-guaranteed debentures would have to be offered to "sweeten" the package.

What the Congress has been compelled to consider, in the case of the Pennsylvania Railroad, is a property that was stripped clean by incompetent management whose actions and inactions may border on gross malfeasance.

These actions, directly or indirectly, brought other railroads into bankruptcy and reorganization. Involved here also are institutional creditors whose actions differed only in degree from those that marked the railroad debacle of the 1930's, a situation brought on by the public peddling of securities far in excess of the real value of the rail properties.

Considered in that light, it may be argued that the committee achieved a miracle that it brought forth any plan at all—that might continue rail transportation in the Northeast.

With respect to legislation relating to labor protection—the administration recommended that this should be a matter of collective bargaining between the new corporation and labor.

The committee, fearful that such action could lead to strikes, bought a labor protection package, the like of which has never before been legally mandated.

Those provisions were the end result of conferences and discussions between rail labor representatives and the presidents of railroads not involved in, concerned with, or having any responsibility for the Northeast situation or its railroads.

These officials accepted in behalf of the new Government corporation separation costs, retirement benefits, and working conditions that do not exist on their own railroads nor are ever likely to, so long as they remain privately owned railroads.

The committee's official estimate of the cost of this labor package is $250 million—another authority puts the cost far higher.

The fact is that no one knows for certain what it will cost, but that is a small matter since the American taxpayer will foot the bill.

The Congress has, of course, in the past, laid down conditions that would protect displaced employees in the cases of other mandated mergers—such as that of the Western Union-Postal Telegraph merger. It is an appropriate and even necessary step.

Men who have given a lifetime to their craft, men who have been entrusted with the lives of passengers and the movement of the Nation's goods, men who now have little chance of becoming gainfully employed in other fields of endeavor—such men should not be thrown on the unemployment scrap heap nor made the object of welfare consideration.

But to freeze into law conditions that would burden the new corporation with hundreds of millions of dollars of unnecessary costs far into the future—to insure that white-collar executives, some of whom helped manage the carriers into bankruptcy, shall continue to receive up to $20,000 annually—to draft and recommend such provisions is to renege on congressional responsibility.

It might be well at this point to consider the origin of the idea that brought on the labor protective clause in this bill.

In the early 1950's the railroad experts came forth with the merger concept in dealing with railroads that were in difficulty.

It was argued that by combining two or more weak roads into one single road—more efficiency would result, costs would be reduced and the problems would be solved.

Apparently the experts did not take into consideration the pressures that would be brought to bear by shippers whose plants were located on lines that were to be abandoned, communities whose very lifeblood depended upon the employment provided by these industries—and by labor to protect, and rightly so, their membership through labor protection clauses gained through collective bargaining and considered a fringe benefit.

In 1968 the Pennsylvania-New York Central merger was completed—it provided a labor protection agreement similar to the one proposed here—a guaranteed salary for life for those who were furloughed.

Let me make one point crystal clear—I have no objection to a viable railroad accepting this sort of a protective clause but here we deal with six bankrupt lines that are to be funded with taxpayer's funds. The question is—how far should we go at the taxpayer's expense.

I do not recall a single railroad president who testified before our committee who did not express or imply that under no circumstance could a viable railroad be created without relieving the road of the costs of such labor protective agreements.

I shall offer an amendment which will give displaced employees the protection they deserve. It will limit the years that a protected worker will receive an unearned salary—but will maintain his rights to a pension under the railroad retirement act—the benefit he bargained for and is entitled to.

It will stop the new organization from playing games with a furloughed worker by resorting to transfers which if not accepted can result in a loss of job rights and benefits.

Another section of the bill provided that after the final system is devised, after other railroads have fed upon the carcass of the remains—subsidy payments in perpetuity are possible to maintain trackage that is not economically viable—the taxpayer to pay up to 70 percent of the losses on such lines.

The Senate took a different approach to the Northeast rail problem. It passed two interim measures that would keep the railroads going and provide a longer range study of the problem.

Thus, as is too often the case, the Congress now finds itself in a situation that whatever it does will be wrong.

The exigencies in the Northeast compel a legislative remedy—the remedy, in my judgment, is a hodge-podge that will please and serve only a number of special interests.

One might ask the question—if the taxpayer is to pick up the chip for furloughed employees—if other nonbankrupt roads are to pick up trackage at bargain prices—if subsidy payments are available to carry on the rest of the uneconomic lines—why this bill?

Why not let the lines in difficulty reduce the work force with the taxpayers picking up the chip—continue the uneconomic lines and let Uncle Sam subsidize them to the extent of 70 percent of their losses and scrap this idea of the Government going into business?

The bill—if enacted—is, I believe, a first and long step toward nationalization of the Nation's railroads.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. METCALFE), a member of the committee.

Mr. METCALFE. Mr. Chairman, I rise in support of H.R. 9142, the Regional Rail Reorganization Act of 1973.

The Transportation and Aeronautics Subcommittee, of which I am a member, held 10 days of public hearings on the Northeast railroad crisis. The subcommittee, further, held 11 executive sessions before reporting the bill to the full committee.

I use the word crisis to describe the atmosphere in which the subcommittee was working. There was the distinct possibility that the Penn Central would be ordered to shut down to meet the demands of its creditors and to prevent further erosion of the assets of the creditors. Further, there are six other bankrupt railroads in the Northeast section. These railroads operate some 30,000 miles of freight and passenger service and their shutdown would have catastrophic ramifications for the economy of the country.

The subcommittee was confronted with the philosophical question of Government versus nongovernmental involvement. The first alternative was to pursue a course which would attempt to effect a solution to the problem with a minimum amount of Government involvement with a strong emphasis on accountability for private use of Government money. The other alternative was to have nongovernment involvement and hope that the private sector would be able to respond to the railroad crisis in the Northeast. This hope was analogous to prayer—because the crisis stemmed from the private sector's inability to respond to the crisis in the first place. While I am a strong believer in prayer, I thought more was demanded at this time. The subcommittee and the full Interstate and Foreign Commerce Committee opted for the positive, creative response to this problem. Their response took the form of the bill which is before us today, H.R. 9142. The administration, however, opted for prayer.

That the railroads are essential to the economy is beyond question. I do not intend to belabor this point. Nor do I intend to belabor the point that the private sector has been unable to respond to the problem. And the expenditure of money,

Federal money, is essential, if the railroads are to continue to run.

Because of some of the effects which will necessarily stem from establishing a core plan, the Federal Government will have to allocate Federal funds to meet what the committee report refers to as "social costs"—

It—the Committee—recognized the need for small areas, to be able to continue essential service which is not economical for the carrier. This was recognized as a social cost to be borne by the government. Likewise, the cost of displacement of thousands of employees of the affected carriers is also a social cost to be borne by the government.

Further, I think that those who look upon this as a "billion dollar bonanza" are using terms which are misleading to the American people. Title VI of the bill is concerned with financial arrangements and obligations of the association. Under this section the Federal Government will guarantee obligations of the association up to $1 billion. This will not be at any cost to the Federal Government. Under this title the Federal Government is guaranteeing loans, not granting subsidies.

Mr. Chairman, it is imperative that we pass this legislation now. I urge my colleagues to vote for H.R. 9142.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT), a member of the committee.

Mr. ECKHARDT. Mr. Chairman, I shall utilize my time to ask a few questions concerning the bill, with the hope of clarifying a few of its provisions.

I direct the first question to the distinguished chairman of the committee, who has served so well in bringing about this piece of legislation, which is one of great complexity, although it is, I think, a piece of legislation which is most desirable.

Mr. Chairman, on page 44 of the report, there is a reference to "profitable railroads" as those operating substantially within the States listed in section 102(9)(A). I think it would be correct to say, though, that the term "profitable railroads" includes both those listed in section 102(9)(A) and those listed in section 102(9)(B). Would that be correct?

Mr. STAGGERS. The gentleman is correct. "Profitable railroads" includes both those listed in section 102(9)(A) and those listed in section 102(9)(B). However, and this is an important point, only those railroads operating substantially in those States as defined in section 102(9)(A) of the definition can be considered profitable under the act as to those particular States. Therefore, it is possible that a railroad operating substantially within the area listed in section 102(9)(A) can acquire properties of other railroads throughout the entire region, since they operate substantially in area (A) and merely operate in area (B). But for those railroads which only operate in either area, without a substantial portion of their business being in such areas, then they can only be considered "profitable" under this definition in the 102(9)(B) area. The effect is that they cannot be exempt from the provisions of the Interstate Commerce Act in regard to acquisition of property in area 102(9)(A).

Mr. ECKHARDT. Yes; but now all railroads must have the approval of both the FNRA and the Interstate Commerce Commission.

Mr. STAGGERS. Yes; I would like to say further all railroads must have the approval of FNRA and the ICC before they can acquire rail properties under this act—and we intend an expedited review and determination by the ICC which will not delay nor impede the implementation of the final system plan.

Mr. ECKHARDT. Thank you very much, Mr. Chairman. Will the gentleman from Montana the coauthor of this bill clarify this point for me: As I read section 303(j) profitable railroads desiring to acquire properties under the system plan must apply to FNRA and ICC for permission to acquire such properties and will be allowed to do so if both these agencies determine that such acquisition will not materially impair the profitability of any other profitable railroad or the corporation. Will this delay the establishment of the final system plan?

Mr. SHOUP. No; that is the reason that section 303(j) provides that such determination will be made on an expedited basis.

Mr. ECKHARDT. Will the coauthor of the bill, the distinguished gentleman from Washington, respond as to whether or not he has the same view?

Mr. ADAMS. Yes. I agree entirely with Mr. SHOUP's answer.

Mr. ECKHARDT. There is another point in the report that I think needs clarification. On page 44 it is said that the railroads listed in subsection (A) of the definition for "profitable railroads" are exempt from the provisions of the Interstate Commerce Act under section 901 of this act.

Thus, when they acquire properties under the system plan, as I understand it, the type of administrative and judicial proceedings normally associated with a section 5 proceeding would not be contemplated. Now, as I understand it, this is not true only of "profitable railroads" defined in subsection (A) of the definition but also of "profitable railroads" under subsection (B) of the provision insofar as they are entitled to acquire properties under the system plan. Is this true?

Mr. ADAMS. Yes, "profitable railroads" include both those listed in (A) of the definition and (B) of the definition and hence both are exempt from the provisions of the Interstate Commerce Act under section 901 of this act. Of course, both would be required, before making acquisitions, to get both FNRA and ICC approval, but the latter would be the expedited procedure referred to in section 901.

Mr. ECKHARDT. Well then, if the carriers are required to apply to both FNRA and ICC for permission to acquire such properties, will this cause delay in the establishment of the final system plan?

Mr. ADAMS. No, in order to avoid having the ICC determination delay the whole time table for establishment of the final system plan, the statute contemplates that the ICC review and determination would be made as part of the administrative process leading to the establishment of a final system plan under section 309. It should be noted that the entire thrust of the act is to complete hearings and establish the system on an expedited timetable. For instance, the Office of the Commission at the ICC must under section 308 hold hearings on the preliminary system plan and, within 60 days after receipt of the preliminary system plan, the Director of the Office must submit to the executive committee of the association a summary of the recommendations of those who contributed comments.

Mr. STAGGERS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. PODELL), a member of the subcommittee that marked up the bill.

Mr. PODELL. Mr. Chairman, I rise in support of H.R. 9142, the Regional Rail Reorganization Act of 1973. I was privileged to be a member of the Subcommittee on Transportation and Aeronautics, which has considered this crucial matter over the past 7 months. Exhaustive public hearings were held last spring and many hours were spent in executive session in an attempt to report a comprehensive and coherent bill which would have bipartisan support. I believe that we have been successful in this endeavor.

Under H.R. 9142, a nonprofit Federal National Railway Association would restructure a new northeast system from the remnants of the six bankrupt carriers, and would provide financial aid for the purchase and upgrading of rail facilities. A privately-held Federal Rail Corporation would operate the new system.

This legislation represents a middle ground between a completely private reorganization and Government operation of these lines. During the hearings, it became clear that any restructuring based solely on the profit motive would necessitate the abandonment of most of the service in the northeast.

The legislation further provides that the preservation of vital short-line railroads will be a major goal of the restructured system.

While the input for the final bill came from many sources, the House owes a special debt of gratitude to two members of the subcommittee—the gentleman from Washington (Mr. ADAMS) and the gentleman from Montana (Mr. SHOUP). Through their diligent work these members provided a bipartisan stewardship for this legislation, with the result that the bill has been endorsed by both rail management and rail labor, as well as by the overwhelming majority of the members of the Committee on Interstate and Foreign Commerce.

Last night the President addressed the Nation on the grave energy crisis which we are facing. The imminent shutdown of the bankrupt railroads poses the threat that millions of tons of railroad freight would be diverted to gasoline-powered trucks. From the standpoint of the energy crisis, from the standpoint of

the environment, from the standpoint of the countless shippers and passengers who rely on this essential service, H.R. 9142 must be enacted. I urge my colleagues to give prompt approval to this urgently needed legislation.

Mr. KUYKENDALL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE) and I understand that the gentleman from West Virginia (Mr. STAGGERS) is yielding the gentleman an additional minute.

Mr. STAGGERS. That is correct.

Mr. RUPPE. Mr. Chairman, I appreciate the importance of the legislation, and recognize that the Penn-Central affects Michigan and my own district, and I therefore understand the vital concern of the membership for this particular bill.

However, I have had a number of inquiries addressed to me with regard to the legislation, and I hope it will be possible to get answers to several of them.

Frankly, the first one is this: It has been asked of me whether or not Mr. Frank Barrett, who is the chairman of the Union Pacific Railroad, might have had a hand in or influence on this legislation, and if he did I would be very curious as to why he would have had such influence in view of the fact that his is a western railroad, and we are here dealing essentially with an eastern problem?

Mr. KUYKENDALL. I shall be happy to respond to it. I think Mr. SHOUP can also respond. The Association of American Railroads has a committee made up presently of three or more railroads whose job it is to continually negotiate with labor. Mr. Barnett was one of the members of this committee. Mr. Claytor of the Southern Railroad was another member of this committee.

Mr. RUPPE. The reason I am concerned is that I voted for the Lockheed proposition and received a certain number of complaints later on from my constituency. I would have to point out, if I voted for this, that Mr. Barnett is a director of the First National City Corp., which is the holding company for the First National City Bank in New York. That bank, I believe, is creditor in the amount of $120 million to Penn Central and is the lending bank for about $300 million in mortgage loans to the same railroad system or series of systems.

I am very happy to have the gentleman's explanation on the record. That concerns me, and, frankly, another thing that concerns me is that the creditors and the stockholders will not necessarily get just the amount of the money that will flow to the new corporation in stock. If I read page 27 of the legislation correctly, they are to get the fair and equitable value of the railroad properties involved. It is my understanding that this will lead, very likely, to a three-man judicial tribunal and a jury trial as to what fair and equitable value is. It may not be the ongoing value of the properties, as operating properties, but certainly is going to be, in my view, a great deal more than the liquidated value. For that reason I think the taxpayers of this country are going to take a terrible beating when the final determination of values is made. It will likely run into billions of dollars.

There is no indication in the bill or report as to what the exact amount of money is that will be involved, because fair and equitable value is anything that a jury can finally determine.

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

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

Mr. KUYKENDALL. I thank the gentleman for yielding. The last sentence of this section says in comprehensive language that it shall be no more than the constitutional minimum. I want to offer an amendment that will strike only one sentence in that section, which I think will make it a little clearer, if the other side will accept it. I will offer an amendment taking out one sentence that might not be clear, but the fact that the section does say "no more than the constitutional minimum" means liquidation value.

Mr. RUPPE. I read page 27, line 19:

> If a district court or a jury determines that the value of those securities is less than such fair and equitable value, the association shall make such adjustments to the regional plan, as will cause the corporation's securities to have a value which is not less than the fair and equitable value of the rail properties conveyed to the corporation . . . .

The CHAIRMAN. The time of the gentleman has expired.

Mr. KUYKENDALL. Would the Chairman yield 1 additional minute to the gentleman.

Mr. STAGGERS. Mr. Chairman, I yield 1 minute additionally to the gentleman from Michigan.

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

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

Mr. ADAMS. There is a specific limitation in the final bill which says no more than $200 million of Government loan guarantees can be used for acquisition in any event, so if the court in 5 to 10 years should come in with a higher value, the only judgment would be against this new corporation that is there.

Under the New Haven case the court was placed in this kind of position that if it loads up that new corporation with a debt structure by requiring it to issue additional bonds, it lowers the value of the common stock, which is what it is being paid for in terms of these assets.

Mr. RUPPE. Does it not have to deliver more stock? It seems to me from reading the language that we have to cause the corporation securities issued in payment of the properties to have a value which is a fair and equitable value as determined by the court.

Mr. ADAMS. That is correct, but that is this corporation's and not the taxpayers of the United States money.

Mr. RUPPE. We are going to have to bail out the new corporation if it does not not have the money or otherwise the new corporation will have to assume what well may be an intolerable debt load.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KUYKENDALL. Mr. Chairman, I yield 1 minute to the gentleman from Montana (Mr. SHOUP).

Mr. SHOUP. I thank the gentleman for yielding.

Mr. Chairman, would the gentleman from Wisconsin check his bill? I find in the bill as presently distributed that there is no page 27. I am wondering if the gentleman has the right copy of the bill.

Mr. RUPPE. I will have to check that out to be sure I am accurate. I will read and confirm the language in question.

Mr. SHOUP. I thank the gentleman.

Mr. Chairman, I very proudly say my name is on the bill. I am, therefore, very thankful for having 1 minute to speak on it. However, I should like to thank everyone else here for interpreting the bill. I think they have done a very good job. I do take exception to some of the critique.

I would like to thank the chairman and the ranking minority member and the gentleman from Tennessee for the very kind words they have had for this bill, for the gentleman from Washington (Mr. ADAMS) and me.

I think, so we do not miss the point of their words, I should point out this is a truly bipartisan effort. In addition to that I would like to point out that as presented today in the copies that are now ready on the floor, in no way does this bill resemble any one of the original bills that was offered. Although it does carry the title H.R. 9142, it does not resemble too closely the original act.

My point is that not only is this a bipartisan effort but also it has been a period of compromise. I would be the first to admit, that I think a very rational assessment of the bill would have to admit it is not perfect. But, Mr. Chairman, if we would look at the alternatives I think this is the best we can come up with at the present time.

As the very able gentleman from Oklahoma, the chairman of the subcommitee, has said, this is a very complicated bill.

In my colloquy with the gentleman from the State of Washington (Mr. ADAMS), the gentleman had stated that the deficiency judgment provided for in section 502 of the bill would be limited to $200 million because the bill provides that FNRA may not issue obligations in an amount greater than $200 million for the purpose of acquiring rail assets. However, as the court would not be able to permit a bankrupt railroad to be paid any less than the fair and equitable value of the rail assets with which they parted, it would have to either issue deficiency judgment against the corporation itself or require that the assets be returned to the bankrupt railroad. Because a large deficiency judgment against the new corporation might place such a heavy burden upon it as to prevent it from becoming viable, the Congress could be called upon to authorize FNRA to issue obligations beyond the limitation set in this bill in whatever amount would be required to make up that deficiency judgment. Therefore the $200 million limitation on the issuance of obligations by FNRA is not an abso-

lute limitation on the amount of money the taxpayers may be called upon to finance this venture.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. BURKE) such time as he may consume.

Mr. BURKE of Massachusetts. Mr. Chairman, we have here today one of the most important pieces of legislation that has come before us this year, H.R. 9142, the Northeast rail transportation bill. I say important because failure to pass this legislation today will result in untold hardship for the 100 million people living in the Northeast and would have brutal repercussions for the entire economy. The economy of the Northeast as well as the Nation as a whole is intricately tied to the continued operation and reorganization of the six bankrupt railroads of the Northeast in question today.

The Northeast railroads handle approximately 45.5 million tons of originating and terminating freight each year. About 70 percent of this amount is carried by two major bankrupt railroads, the Boston & Maine and the Penn Central. The Boston & Maine has somewhere between 2,675 and 3,000 active shippers and the Penn Central is believed to handle somewhat beyond this amount for a total of at least 6,000 shippers. Thousands of shippers in the Northeast are dependent on these railroads. Once it is realized the great dependence that exists on the Northeast railroads in the 17-State Northeast region the impact of a shutdown becomes clearer.

Approximately three-fourths of all lumber and wood products are transported by rail. Large amounts of agricultural commodities and vast quantities of fuel for the entire regior are carried by rail. What does this mean for the Northeast? Higher housing costs, higher food costs, fuel shortages in an area already fraught with critically short fuel supplies. A 1969 Department of Transportation survey showed that railroads carried 3.8 million tons of freight per day in the Northeast including such vital products as coal, iron ore, heavy machinery, automobiles and parts, wood pulp and building materials. It is expected that just a shutdown of the Penn Central alone would affect the entire national rail system, glut the highways, and push waterways and air carriers beyond their capabilities.

In fact, the Northeast rail crisis is not a regional problem but goes well beyond, affecting the entire economy. Senator HARTKE in his statement in the CONGRESSIONAL RECORD of June 25 points out—

> If one of the bankrupt railroads in the Northeast ceased operations, the consequences could be disastrous to the more than 100 million people living in the region and the Nation as a whole. For example, a study has disclosed that if the Penn Central were to curtail activity for a period of 8 weeks economical activity in the Northeast would decline at a rate of 5.7%. Economic activity in the entire Nation would decline by a rate of 4% and the gross national product would decline by 2.7 percent.

In more human terms, thousands would be thrown out of jobs, widespread food shortages would occur and the health and safety of over 10 million threatened. And what about the farmer down South who ships his products North. Certain economic disaster would follow if he suddenly found that his market had disappeared.

It is incumbent upon the Government to maintain an active role in providing adequate rail service and I think the Shoup-Adams bill offers this opportunity in a highly sensible and constructive manner. The bill, in short, mandates consolidation of the bankrupt railroads, maintains Government expenditures at a minimum and vests control of the new system in a private corporation.

The Northeast and the Nation is heavily dependent on continued rail service in the Northeast. It is urgent that the House act at once on legislation that will keep the railroads going. I think that the Shoup-Adams bill, H.R. 9142, represents a comprehensive and balanced approach to the Northeast rail crisis and we in this body should waste no more time in passing this urgent legislation.

I think it is important to mention at this time provisions in the bill pertaining to the Northeast passenger corridor. The passenger corridor basically comprises the Metroliner route from Washington to New York and the Turbotrain link between New York and Boston. The improved passenger service is needed for several reasons. Passenger travel along the corridor is forecast to increase by a minimum of 3 percent per year. Air routes, as well as highways are reaching saturation point along the corridor and expected outlays for these two transportation modes far surpass the estimated cost of a high-speed passenger rail project. It is my firm conviction that action by this Congress to improve the Northeast passenger corridor will prove beneficial in terms of cost, safety, energy consumption, noise and pollution control and in view of our present energy crisis we can hardly afford to do otherwise.

In conclusion, I feel we owe a special debt of gratitude to the two Members of this body who have done the most to fashion this excellent legislation and guide it through Congress, Representatives BROCK ADAMS and DICK SHOUP. They have given unstintingly of themselves over the months, both in terms of time and a great deal of expertise in this area, and we, particularly in the Northeast, are very grateful for their efforts.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY of Pennsylvania. Mr. Chairman, I appreciate the distinguished chairman of the committee yielding to me.

We, in Pennsylvania, are deeply concerned. As Members are well aware, Governor Shapp of our State was here yesterday and we had a meeting with him in which he expressed his concerns about the intent of the measure before us.

Mr. Chairman, I take this opportunity to congratulate the chairman of the full committee and the chairman of the subcommittee, the gentleman from Oklahoma (Mr. JARMAN), and especially my good friend on the other side (Mr. SHOUP), as well as Mr. ADAMS and our staff. We do not have a majority or minority staff on our committee. It is just our staff. They have been very helpful to me and I really appreciate it, because of the 17 States and the District of Columbia, which are involved in this bill, I know of no one State that is more involved in this than is the Commonwealth of Pennsylvania. I am sure that is one of the reasons why Governor Shapp made that hurried visit to our Nation's Capital yesterday.

Mr. Chairman, the Governor had asked me to relay to the Members some of the questions that he has regarding this bill and I might say I am going to support this bill this afternoon.

In the 10 years I have served on this committee, I know of no one bill that has received as much consideration and deliberation as this bill has had in the subcommittee and the full committee during the months in which we have had it under consideration. The committee has done an outstanding job. I want to ask some questions which I hope will clarify some of the Governor's objections.

First, does the review of the final system plan by the Congress include specific directions to Fannie Rae concerning the contents of the final plan as part of any rejection of the final plan by either House?

Mr. STAGGERS. Mr. Chairman, in response to that, either House of Congress can reject it, but I say if it comes to our committee, which it would, and we reject it, we would bring it to the House and we would say why we would do that and we would make recommendations as to what should be done.

Mr. ROONEY of Pennsylvania. Is it the intent of this legislation that all unprofitable branch lines shall be abandoned unless operated by a State or other public authority? Or is it the intent of this legislation that the criteria for the completed system shall be a line that operates overall in the black although some parts may not be profitable?

We can understand how one line may not be profitable when we take into consideration the overall line itself.

Mr. STAGGERS. I might respond to the gentleman in this way, that in section 303 of the bill there are eight criteria and one of them is unprofitability, so the others would be taken into consideration, too.

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

Mr. ROONEY of Pennsylvania. I yield to the gentleman.

Mr. KUYKENDALL. On this question the gentleman just asked, I think he will find that it mandates that such lines of the overall system be profitable and not that any particular line be profitable. This is certainly our intent.

Mr. ROONEY of Pennsylvania. What kind of help can we expect if we find an abandoned line must be restored to save jobs? How long can we expect the help?

Mr. STAGGERS. Section 701 takes care

of that. We have a subsidy agreement that will allow them to operate these lines and these agreements are renewable after 2 years.

Mr. ROONEY of Pennsylvania. We are deeply concerned that this measure will lead to less service, since this was the case with Amtrak. What kind of assurance do we have that this will not be the case with this consolidation of the bankrupt railroads?

Mr. STAGGERS. We have quite a lot of experience with Amtrak. Certainly this is quite a different bill. We expect there will be better service completely by this renovated system and we will be taking a continuing look at it. Today there are 6,000 miles of track that service cannot be maintained over ten miles an hour. We say that the association will be able to make available $500 million to renovate those tracks, equipment, and physical plant so we are getting to the heart of this thing at the very start. These are some of the things wrong with the railroads now.

Mr. ROONEY of Pennsylvania. In Pennsylvania, Mr. Chairman, we have numerous shippers, especially among smaller manufacturers. What can a manufacturer with 250 workers do for transportation if his plant is left without branch service?

Mr. STAGGERS. The first thing he can do is convince his locality, his State or regional authority, to apply for a subsidy agreement under section 701 of this title to keep that running. It is taken care of in the bill.

Mr. ROONEY of Pennsylvania. I have one final question. Who pays the costs of upgrading an abandoned line that a local authority, municipal government or State must operate to prevent loss of jobs and plants?

Mr. STAGGERS. The cost of upgrading these lines must be prorated over the life of the subsidy contract.

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

Mr. ROONEY of Pennsylvania. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. I thank the gentleman for yielding.

Mr. Chairman, I want to say to the gentleman from Pennsylvania that in the report from the committee on page 48 it spells out that the planners must also consider the need and cost of rehabilitation and improvement of physical facilities and such items as cost of labor protection, employment impact studies, marketing studies, traffic evaluation, and financial studies.

The committee has been very, very concerned about the impact. I want to congratulate the chairman and the members of the subcommittee, the gentleman from Montana and the gentleman from Washington, for an outstanding job in putting this legislation together.

Mr. BAUMAN. Mr. Chairman, the bill now before the House represents the culmination of a century of efforts by the Federal Government to regulate the Nation's railroads. We have reaped a grim harvest. But at this stage, there is little that Congress can do except pass the bill, for the alternative is drastic reduction in rail service to the northeastern portion of the country, and severe economic dislocation.

Maryland's Eastern Shore would be hard hit if rail service were not continued there. Thousands of farmers, food processors, grain dealers, and manufacturers depend upon rail service for shipment of their products and receipt of their supplies. Railroads represent the only mode of transportation which can economically transport vast bulk commodities. The elimination of rail service to the Eastern Shore would have inevitable and disastrous consequences for the entire economy there.

We in Maryland had a brief and bitter taste of what it would be like to be without rail service earlier this year, when a ship struck the only rail bridge crossing the Chesapeake and Delaware Canal at Summit, Del., and put it out of commission. The disruption of rail service to the entire Delmarva Peninsula caused considerable hardship, and could have brought many businesses to the edge of financial collapse.

Local businessmen considered rail service so critical to their continued operation that last year when Hurricane Agnes wiped out a portion of track in Kent and Queen Annes Counties on the Eastern Shore, they got together and put up the money to repair the track when Penn Central refused to do so.

Among the areas dependent on rail service for their livelihood is the small shore community of Queenstown, Md. The major industry there, the S.E.W. Friel Co., is the largest employer in Queen Anne's County, with an annual payroll of almost $800,000. The Friel Co. is dependent on the rail service it receives from the Penn Central, and had to fight tooth and nail last year to keep that service when the railroad petitioned the ICC to discontinue service.

The Delmarva Power Co., which provides electrical power to a substantial portion of the Eastern Shore, relies entirely on rail transportation to bring in fuel supplies needed for power production. The Shore would face a serious power shortage problem, on top of the problems we already expect this winter, without rail service.

It is important to note through all of this that other forms of transportation simply cannot adequately replace the railroads. Barge transportation is slower, more costly, and inefficient. Trucks can pick up some of the slack over short routes, but for large bulk commodities, such as grain or other agricultural products, they are inadequate and too expensive over the long haul.

In short, Maryland, and in particular the Eastern Shore, will suffer serious economic hardship if rail service does not continue. That rail service will end if Congress does not act, because the courts will order liquidation of the Penn Central and other bankrupt railroads within a few months. I must therefore lend my support to this bill, although I regard it far from an ideal solution.

My examination of the provisions of the bill which deal with the possibility of discontinuing rail service leads me to the conclusion that there are adequate safeguards for the trackage located in Maryland. In essence the bill would require the organization of a system of railways which would be created only after a series of consultations and hearings in which local and State interests could be heard and protected. This process might consume a period of nearly 2 years only after which could any discontinuance of service occur.

This interval should give adequate time for local and State government, as well as private interests, to contemplate whether they wish to subsidize various parts of the railway system should discontinuance be ultimately proposed. In addition, any such subsidies could then be reimbursed by Federal funds to the maximum extent of 70 percent of the subsidy.

This hopefully provides an administrative mechanism which will afford protection to all interested parties and assure the continuation of rail service to those areas which have such great economic dependence upon Penn Central.

I am also pleased to note that the bill contains provisions which will allow funds to be used by the railroads in order to upgrade their track and equipment to meet the safety standards already imposed by the Federal Government. Only recently the Penn Central used these safety standards as a crass excuse to cut off service in many areas, including my district, for a 24-hour period before the Government allowed them a 1-month waiver of the standards. I believe that this display of mock compliance was a shame and excuse to close rail lines which Penn Central has been unable to abandon through the normal channels of the ICC. This is especially so because the Penn Central had received notice of these requirements 2 years before and had done nothing to comply with these safety requirements. Perhaps this safety funding provision of the bill will at least remove this excuse from Penn Central's arsenal of deception.

Mr. Chairman, it would be well for us to recall just how the Northeastern railroads were driven into bankruptcy, and to give serious consideration now to measures which would avert the need for the kind of desperation legislation presently before us for the rest of the Nation's railroads, at some future date.

America's railroads have been brought to the brink—or tossed over the brink—of financial disaster principally due to the absurd and irrational regulations promulgated by the Interstate Commerce Commission. Established when railroads were in their infancy, and cutthroat competition and/or price fixing were rampant, the ICC grew, as do all Federal agencies, into a bureaucratic monster which now regulates every facet of rail operation. The ICC, by holding rates at lower-than-market levels, by requiring railroads to continue operating unprofitable lines, and by generally prohibiting the railroads from making enough profit to allow upkeep, repair, and modernization, has driven dozens of railroads out of business, or to bankruptcy. Labor has done its share to destroy the rail indus-

try, by demanding "featherbedding" in the form of larger traincrews than are necessary, costing railroads hundreds of millions of dollars each year. But the ICC must still take most of the credit.

The legislation before us today is truly a desperation measure. With the courts ready to order liquidation of the Penn Central within a matter of months, something has to be done to allow continued rail service to Penn Central customers as well as those from other bankrupt lines. The creation of yet another Federal agency, the Federal Rail Corporation, if not outright nationalization, comes far too close to it for comfort.

Mr. Chairman, I do not want to see the rest of the Nation's railroads sent down the same dead-end track. We must decide now what the causes of the decline of the rail industry have been, and begin immediately to eliminate those causes. Chief among them, as I said earlier, are the regulatory policies of the ICC, and we should be looking for ways to change those policies in a major way, or even consider the possibility that heavy Government regulation of the rail industry ought to be reduced or eliminated. If the present direction of Government regulation is doing more damage than good, then we ought to send it into the roundhouse and turn the direction of Government involvement around.

The real, long-range answer to the rail industry's woes is not more Government regulation, or Government takeover. That will only cost the taxpayer more and more heavily as the years go by. The answer is the creation of an atmosphere in which railroads can operate as freely of Government constraints and regulation as is practicable, and in which they can respond to the needs of the market economy as efficiently as possible.

We cannot afford to wait any longer. For the Penn Central, and a number of other Northeastern railroads, it is already too late.

Mrs. GRASSO. Mr. Chairman, the Penn Central and other bankrupt railroads in the Northeast are essential to the continued economic stability and growth of 17 States and to the welfare of more than 100 million people in this country. Unless the Congress takes positive and effective action to save these railroads from liquidation, our Nation faces potential economic catastrophe.

The bill before us today—H.R. 9142, the Regional Rail Reorganization Act of 1973—is a comprehensive and balanced attempt to reorganize Northeast railroads within an acceptable framework.

By now we are all aware of the basic facts which necessitate the passage of H.R. 9142. The Penn Central, which alone accounts for 70 percent of the Nation's passenger service and 20 percent of its freight service, has been plagued with financial difficulties since its merger in 1968. The situation has eroded to such an extent that liquidation might be required to protect the constitutional rights of the railroad's creditors.

The Penn Central is essential to the economic health of Connecticut and the entire northeast region, and its liquidation would cause economic hardship throughout the Nation. A cessation of operations by the Penn Central would lead to an estimated 3-percent decline in national productivity and a 60-percent increase in the unemployment rate.

Alternative modes of transportation, primarily trucks, would be required to move the tons of freight daily carried by the railroads. During this energy crisis, the increased fuel consumption would prove counterproductive to our efforts to conserve our dwindling petroleum supplies.

In Connecticut, a shutdown of the Penn Central would be felt by every segment of the State's population. Many industries depend on the railroad to bring them raw materials and transport their finished products nationwide. Trains bring foodstuffs, grain to our dairy and poultry industries, and virtually all the necessities of life. Commuters within the State make 18 million trips each year.

Without the railroads, Connecticut's highways would become more congested, more precious gasoline would be needlessly wasted, many businesses would be forced to close, unemployment would rise, and the tax burden on our cities and towns would increase.

Multiply these consequences in a single State by all the States serviced by the bankrupt Northeast railroads and the need for immediate positive action to save and reorganize the Northeast railroad system becomes clear.

Mr. Chairman, the only alternative to the Regional Rail Reorganization Act is the shutdown of the Penn Central. Such action is unacceptable, for economic disaster would surely result.

I will support H.R. 9142, and urge my colleagues to approve this important legislation.

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 9142. Railroads are vital to the economic health of my district in western Massachusetts. My support, however, goes far beyond parochial interests. I support the legislation because it is vital to the economic health of the entire Nation.

This is not a Massachusetts bill, a New England bill, or, even really, a Northeast bill. This is legislation that will keep the entire Nation's circulatory system flowing, legislation that will enable those for us in the Northeast quadrant of the Nation to continue to be customers and suppliers for the rest of the Nation.

Let me dispel any idea that this is legislation designed to "save" the Penn Central. It does not "save" the Penn Central Transportation Co. It disposes of it—properly. It will have the effect of doing the same thing to the Boston and Maine, the Erie-Lackawanna, the Lehigh Valley, the Central of New Jersey, the Reading Co., and the Ann Arbor Railroad up in Michigan. These are the corporations that, due to a multitude of circumstances, have to go. But the services they provide have to stay.

Are we to do this by simply nationalizing rail systems that are proven losers? Nationalization has not been proven to be a cure-all, you know. We look with envy at European railroads, their passenger service in particular, but we do not look very often at their freight rates or service. Freight rates in Europe are about double what they are here, and service is roughly twice as good here as it is there, despite our bankruptcies. What this bill is aimed at is the salvation of vital freight service that this Nation must have if it is to continue to prosper.

If open nationalization is not feasible at the moment, you might ask why we do not simply lend money to these struggling railroads so they can continue operations on an ad hoc basis. I can promise you, if we did that they would default on the loans and the Government would end up owning the property anyway. This is what is popularly termed "back-door nationalization." The railroads in the Northeast cannot operate as money-making ventures. They do not make money for private enterprise, and they will not break even for public operation.

This legislation leads to a workable solution of the problem. It takes the best of something bad and turns it into something good. There is, indeed, a potentially very healthy rail system attempting to crawl out of the wreck of the Penn Central and the other bankrupt properties. And H.R. 9142 will put that system together.

I am aware that the resultant system will probably be considerably shorter, in terms of track miles, than the present spiderweb of rusty rails that laces the Northeast. I accept the fact that in my district some of the lightly used branch lines might well not be included as part of the so-called core system. But this bill answers that problem, providing Government backing for the uneconomic lines, with both State and Federal Governments participating in the support. If those lightly used branch lines are, on the one hand, vital, I suspect there is a way to make them break even or perhaps show a little profit. And on the other hand, where there is no chance for them to be operated economically, then we should look to alternative modes of transportation.

I would hope that my colleagues study very carefully some of the arguments that are occasionally used in defense of the uneconomic rail lines. We read more and more every day that a diesel locomotive, on the average, produces many more units of transportation per gallon of fuel than a diesel truck. And in these times of increasingly severe fuel shortages, that is a good point to keep in mind. At the same time, however—and I count myself as a staunch environmentalist—I would much prefer to see one man with a 20-horsepower truck drive to the end of a branch line each week than see a 2,000-horsepower locomotive with a four-man crew go out and back each week to pick up one boxcar. Trains are efficient. They are one of the most efficient and ecologically acceptable modes of transportation we have. But locomotives, in and of themselves, consume more fuel sitting on the track idling than one truck does carrying a load of freight 10 miles.

My point is this—the legislation before us creates a new railroad, one that will work, one that will not lose money, one that will not lean on Congress for operating funds any more than do the Santa Fe, the Southern Pacific, the Union Pacific, the Southern Railway or any of the other solvent lines. Railroads have had their hands in the Federal till

less than any other mode of transportation over the past 50 years.

Second, the legislation allows for a rationalization of transportation. We will have railroads where we need them, and we can get rid of them where we do not need them.

Third, it does this within the private sector. It calls for no great and continuing influx of Federal funds. It pays for the initial costs that will be incurred during the transition from financial chaos to fiscal stability.

And most of all, it gets us started now. There is no question that this is the 11th hour. It is too important; the time is too late.

I urge my colleagues to support H.R. 9142 and fend off the chaos that is sure to result if nothing is done.

Mr. ANDERSON of California. Mr. Chairman, if the Penn Central Railroad were forced to close, it would take an additional 20,000 trucks to move the same goods daily—an impossible situation.

And the resulting effect on our national economy, our energy situation, and the environment would be disastrous.

First, since railroads carry an amount of freight exceeding that carried by truck, air, and barge combined, our economy—even on the west coast—would be severely affected. A shutdown of the rail carriers that would be reorganized under the proposal would result in a 5.2-percent decrease in the rate of economic activity in the Northeast and a 4-percent decrease for the rest of the Nation. After only 2 months, the gross national product would decrease by 2.7 percent and the national unemployment rate would rise by 3 percent.

Our largest industries on the west coast—aerospace and agriculture—are dependent on the rail systems in the Northeast to move these articles to the markets and a shutdown would cause delays and increase costs.

And let me give an example of the comparative costs of moving freight in the various fields of transportation: To move a ton of freight by air costs almost 22 cents a mile; by truck, the cost is over 7 cents a mile; but by train the transportation costs are only a little over a penny a mile.

Second, the energy situation, already critical, would be strained to the breaking point. For example, the coal which fires many of our hydroelectric plants moves almost exclusively by rail.

But specifically in the Northeast, if the rails were forced to close and the 20,000 additional trucks were needed to move freight, we would have an increase in fuel consumption by up to 24 million additional gallons per day of diesel fuel. This, in turn, would require a 20-percent increase in U.S. imports of oil.

Third, railrads are a relatively "clean" method of transportation—emitting only 600,000 tons of air pollution annually out of a total of 144 million tons emitted from all sources of transportation each year. If the Northeast rails were shut down, our national air pollution level would be increased by 0.2 percent, due to the increase in truck usage and the resulting emissions.

Mr. Chairman, our Founding Fathers united a confederation of States for the common good. They knew that separately we could not survive, but as a union we could meet any crisis.

Today the Northeast faces a serious crisis in transportation—a situation that would have national ramifications. It is our duty as Members of Congress to consider, of course, our local needs, but it is also our duty to rise above provincial interests for the national interest.

For these reasons, Mr. Chairman, I support this proposal. I urge my colleagues who may feel that their particular area may not be affected by a closure of Northeast railroads to also join with me in adopting this measure to reorganize the rails and permit them to stay in business.

Mr. BIAGGI. Mr. Chairman, I rise in strong support of this bill, H.R. 9142, the Regional Rail Reorganization Act of 1973, one of the most constructive pieces of legislation in the 93d Congress.

Today the major rail systems in the Northeastern United States are in dire straits. The largest transportation carrier in the entire United States, the Penn Central Railroad, has been flirting with economic disaster for years, and finally on June 21, 1970, succumbed to acute financial stress and announced plans to terminate service. In addition 5 smaller, but important rail lines encompassing 16 States, have also gone bankrupt.

In essence this legislation calls for a long overdue governmental reorganization of the bankrupt Northeastern railroads into one self-sustaining corporation that would continue to provide public service and preserve competitive private railroads.

The achieving of this new rail system will take place largely from the creation of the Federal National Railway Association. The FNRA will serve as the primary planning and financing vehicle for this restructured and reorganized rail system. Included in their plans will be the devising of a final system plan for the Northeast. This plan will designate and identify those carriers which will continue to operate, based on an ability to remain financially solvent. For those systems which are determined not to be financially healthy, the FNRA will have the additional responsibility to consolidate them into a new Federal Rail Corporation, who in turn will be responsible for the operation of the newly organized system.

However this bill does not only concern itself with long range solutions to the railroad crisis in the Northeast, but provides immediate relief to these beleaguered rail systems. H.R. 9142 specifically authorizes $85 million for interim relief of cash shortages for the bankrupt railroads.

I am particularly pleased with those sections of the bill which deal with protection of the railroad employee who might be displaced by the formation of the new system. According to the provisions of this legislation $250 million will go toward paying the costs of employee dislocation. Benefits would range between $1,600 to $2,500 a month depending on the seniority of the employee.

Finally, an additional provision of the bill, which I strongly support, is the establishment of a Federal subsidy program which will provide up to $50 million a year to assist States or other local agencies who wish to purchase abandoned rail properties.

I feel this bill provides a comprehensive and logical approach to this problem. With over half of the population of the United States living in the Northeast quadrant, the termination of major railroad service would have tragic consequences for these millions of Americans.

I feel it is the only method of assuring adequate freight and passenger rail service in the United States.

The long and illustrious history of the railroad in the United States cannot be overlooked in our consideration of this legislation. Even with the advent of the airplane, many businesses and industries, as well as millions of urban and rural commuters, still rely of the railroad to get them or their products to their proper destinations.

In addition, in light of the potentially grave energy crisis, it seems prudent that we strengthen our rail systems since the railroad remains one of the least energy-consuming methods of mass transportation available today. This bill has further significance and urgency in light of the President's call for the cutback, and even curtailment of airline flights because of a shortage of fuel. This action would serve to create a further transportation shortage in the Northeast.

This excellent bill represents an effective compromise worked out between the owners of the railroad and the unions which operate them. Not only do these groups stand to benefit from H.R. 9142, but more importantly it is the user of the railroad who stands to gain the most from the passage of this bill. I commend the committee and its distinguished chairman, Mr. STAGGERS, for reporting out this bill, and I urge its overwhelming approval by my colleagues.

Mr. KYROS. Mr. Chairman, I rise today in strong support of H.R. 9142, the Regional Rail Reorganization Act of 1973. As a member of the Interstate and Foreign Commerce Committee vitally interested in our Nation's transportation systems, I consider this bill to be unquestionably the most important transportation measure considered thus far by the 93d Congress—not only to my own State of Maine or to the Northeast, but to the entire Nation as well.

Mr. Chairman, none of us can doubt that the Northeast railroads are in desperate financial shape, nor can we deny that for too long they have been the stepchildren of our transportation systems. Action is needed now to protect this vital transportation mode—not only for the economic health of the Northeast but for the entire Nation. We have heard a great deal about the Penn Central and about the very real possibilities of its being shut down. But we must realize that a shutdown of the Penn Central would affect all contiguous lines, sending shockwaves throughout the Nation and the national economy. The Penn Central

must be kept running because the rest of the Nation's railroads must be kept running.

H.R. 9142 will keep the Penn Central operational. But even more important than that, it provides us with a needed, comprehensive blueprint for a reorganization of all the bankrupt lines in the Northeast so that they might once again become profitmaking ventures. Only in this way will we avoid nationalization, which very few of us really want.

Mr. Chairman, in Maine we have only about 50 miles of B. & M. track. Our other railroads, thank heaven, are solvent at this time. But a shutdown of the Penn Central alone would probably force a shutdown of those other lines within a few days. At least one-third of our State economy would be crippled. At the risk of becoming intolerably repetitious, I must stress once again that the currently bankrupt Northeast railroads must be revitalized or the entire Nation is to suffer.

Mr. Chairman, H.R. 9142 is the first necessary step toward revitalization of our Nation's railroads. It is not just another stop-gap emergency giveaway. It is a comprehensive piece of legislation hammered out over months of intensive consideration at the subcommittee and committee level. It satisfies both rail labor and rail management. And it is desperately needed.

Mr. Chairman, I earnestly solicit my colleagues' support for H.R. 9142.

Mr. DORN. Mr. Chairman, I support the Regional Rail Reorganization Act of 1973. May I commend Chairman STAGGERS and the members of his great Committee on Interstate and Foreign Commerce for their diligent work in reporting to the House a bill of this importance and complexity. This landmark bill would authorize the Government to reorganize bankrupt railroads of the Northeast into one self-sustaining corporation. This is a step forward toward a more stable financial basis for a basic transportation system in our Nation's most densely populated section. This bill has important national effect, since all sections of the Nation depend on reliable rail transportation to carry goods to and from the Northeastern United States. The bill is fair to the taxpayer, to employees and to management. It is essential to a healthy national economy that the Penn Central and the other rail lines of the area continue to operate. I support passage of the Regional Rail Organization Act of 1973 and urge its adoption by the Congress.

Mr. ROBISON of New York. Mr. Chairman, dependable railroad service is essential to the welfare and economic health of my congressional district, so I have taken some care to monitor the content and progress of all those proposals that have been introduced to Congress which attempt to stem the economic and physical deterioration of railroad service in the Northeast. When evaluating these proposals, I established several criteria which I felt were necessary to address the immediate concerns and long-term interests of the communities in the 27th District of New York.

First, recognizing that total nationalization of the railroads was not the answer, I felt that Federal intervention should be kept at a minimum. This bill creates a nine-member corporation, composed of presidentially appointed representatives of the railroad industry and individuals recommended by the National Governors Conference, the National League of Cities, and the AFL–CIO. In so doing, the bill removes the Federal Government from any direct participation in the day-to-day activities of the railroad industry, and provides for a cross section of the interests affected by reorganization in determining the direction of the new rail system.

Second, it is essential that Federal financial assistance be kept to a reasonable minimum. A long-term solution is required to provide for and safeguard the viability of the rails in the Northeast. To meet both the immediate and distant needs of the industry, a system of loan guarantees is provided for through the creation of a "Fannie Rae" corporation. The level of loan guarantees has been reduced from $2 to $1 billion. The House Interstate and Foreign Commerce Committee has established a sufficient number of controls to see that Federal funds are wisely allocated. Extensive Federal oversight and regulatory authorities are created to see that the money is properly disbursed and collected.

Third, in order to insure the continued viability of profitable railroads in my congressional district, the abandonment provisions of H.R. 9142 had to be strong enough to make cessation not only difficult, but totally avoidable. The discontinuation of marginal railroad lines could mean severe social and economic disruption for individuals, industries, and communities throughout the Northeast. Abandonment cannot be accomplished without adequate notice to Governors, State transportation agencies, shippers, local communities, and the Secretary of Transportation. In addition, both shippers and local authorities may block abandonment by offering to pay operating subsidies. However, the provisions of sections 202 and 203 should be strengthened—by Senate action if need be—so that profitable railroads in the Northeast are not threatened by the abandonment of the feeder lines on which they depend. It is my intention to see that the solvency and continued competitive posture of the small, but vital, railroads is guaranteed by this bill.

Fourth, to prepare the railroads to carry the projected loads of the future more efficiently and safely, it is essential that the present roadbeds and track be restored and rehabilitated. The Regional Rail Reorganization Act directs the Secretary of Transportation to see that the tracks and facilities are restored prior to service to a condition which permits trains to travel at a speed at least of 25 miles per hour. Track and roadbed improvements have been neglected in the past, resulting in greater wear on and damage to rolling stock, more accidents, and less efficient, slower service for the customers.

Fifth, so that protection be given to those workers who lose their jobs during the reorganization, I felt it mandatory that legislation insure that the necessary relief be provided. This bill more than adequately provides for the financial needs of displaced employees of abandoned railroads. H.R. 9142 creates the necessary funds and mechanisms to see that rail employees are either rehired under the new corporation or sufficiently compensated for the losses. This provision has the support of both labor and management, as a just and equitable program to address the potential hardships that the rail employees may face through restructuring.

Sixth, regulatory reform is an integral part of any proposal if it is to be effective. To reach the goals of updating and streamlining the railroad industry, the administrative ground rules which have greatly contributed to the present difficulties, must be made more responsive to the modern and growing needs of the industry. The proposed Federal Railroad Corporation and Federal National Railway Association are given the authorities necessary to develop a dynamic and effective framework to carry out the dictates of H.R. 9142.

Seventh, to enable the railroads to trim their expenditures, the industry should be exempt from State and local taxes on their rights-of-way. Section 905 of this bill calls for the elimination of any Federal, State, or local taxes on the railroads except for their real property values. This provision will save the industry an estimated $300 million, annually, making it easier for the railroads to cut costs and expend their income in more sorely needed areas.

The Regional Rail Reorganization Act of 1973 gives the industry hope for the future. Congress had the difficult task of developing an effective program in a relatively short period of time. This bill is a major step in enabling the railroad industry to help itself, thus solving the myriad of complex and conflicting problems contributing to the present crisis.

The railroads have served the country well throughout history, playing an important role in our expansion and development. I am in accord with H.R. 9142's basic aims and provisions. This act will enable the railroads to put present problems behind them and begin building a framework of operations which will make the industry profitable once again, and enable it to continue to be an essential element of our economic life.

Mrs. HOLT. Mr. Chairman, the continued operation of the Northeast rail system is of vital importance to the Nation both economically and environmentally. This transportation network must be preserved and strengthened in a manner that benefits railroad creditors, rail employees, and the American public.

The bill before us today, H.R. 9142, is designed to achieve these objectives. It is the product of comprehensive hearings, careful review, and meaningful compromise by the Interstate and Foreign Commerce Committee. It is highly unlikely that any piece of legislation of this complexity and magnitude can be

totally satisfactory to everyone, but on the whole, I feel that this bill is sound legislation.

Much concern has been voiced in this Chamber over the labor protection features contained in the bill as reported from committee. I would like, at this time, to express my strong support for these provisions and urge that they be retained intact.

The collapse of the Northeast rail system cannot be attributed to any one party. The responsibility for the financial failure of this system must be shared by management, regulatory commissions, and uncontrollable economic conditions as well as by organized labor. To remove the labor protection features from this bill would be tantamount to placing the entire burden for the collapse of the system on the shoulders of the railway employees.

It must also be remembered that these protective clauses are neither new nor revolutionary. The principle of employee protection has been customarily contained in mergers and consolidations in the railroad industry.

Mr. Chairman, the labor protection features are equitable to the railroad employee and are necessary to the successful reorganization of the Northeast system and its restoration as a profit-making private enterprise.

I strongly urge my colleagues to support the passage of H.R. 9142 without debilitating amendments.

Mr. DRINAN. Mr. Chairman, I am gratified to have the opportunity today to rise in support of one of the most important pieces of legislation to come before the 93d Congress. The passage of H.R. 9142, the Regional Rail Reorganization Act of 1973, is absolutely essential for the economy of New England and the entire Nation. Without this bill, we would run the grave risk that within a matter of weeks the six bankrupt railroads in the Northeast would be forced to severely limit service, with disastrous economic results, not only in the Northeast, but in the entire Nation as well.

In recent months I have spoken on many occasions on the Northeast rail crisis, and on the need for legislation to comprehensively restructure the threatened Northeast railroads into a self-sustaining, efficient rail network, competently serving the public interest. I have supported throughout, the bill before us today. This legislation proposes a responsible and workable mechanism to solve the Northeast rail crisis. I would like to take this opportunity again to express my congratulations and commendations to the two principal authors of this legislation, my colleagues DICK SHOUP and BROCK ADAMS, and I would also like to commend as well, the members of the Interstate and Foreign Commerce Committee, who have made such diligent and constructive efforts, the fruit of which is in this bill.

I believe that passage of this legislation would prevent an economic disaster that would be caused by termination of rail service in New England. In surveys of cities and towns in the Fourth Congressional District of Massachusetts, which I represent, I have found that thousands of jobs and hundreds of millions of dollars in economic activity are at stake in the continued operation of railroads serving the Northeast. While the Northeast rail system that will result from enactment of H.R. 9142 will have the result of limiting rail service in some ways, it will spare New England from severe economic trauma that would have occurred without such a workable and balanced bill as this.

I am particularly pleased that the bill before us today contains provisions that recognize the great economic importance of branch lines to local communities, and will allow for the continued operation of branch lines that would otherwise be abandoned as part of the railroad reorganization through the assistance of the Federal Government in a 70/30 Federal/State-local operating subsidy cost-sharing program. I hope that my colleagues will spurn all attempts offered to this bill which would weaken the Federal National Railroad Association and the Federal Rail Corporation, and I further hope that the Senate will promptly enact this bill, and that the President will recognize its merit and sign it into law.

Congress cannot delay any longer in providing a solution to the Northeast rail crisis. H.R. 9142, I believe, is the best hope for a workable solution and it deserves the wholehearted endorsement of the House of Representatives.

Mr. RIEGLE. Mr. Chairman, I would like to add my support to the Regional Rail Reorganization Act, H.R. 9142, now being debated before the House.

As you know, the bill would authorize the consolidation of parts of six bankrupt Northeast railroads into a for-profit nongovernmental corporation. A new agency, the Federal National Railway Association—FNRA—would act to plan and finance the reorganization of the rail system. Final responsibility for the operation of the railroads would be that of the Federal Rail Corporation established by this bill.

Many are hesitant to provide Federal funds to rehabilitate a railroad system which has such a serious history of failure and above all, graft and mismanagement. However, defeating this legislation would produce a devastating impact on the economy not only of the Northeast, but of the entire country. According to a study done by the Department of Transportation at the time of the Emergency Rail Services Act of 1970, a complete and abrupt shutdown of Northeast rail carriers would result in a 5.2-percent decrease in the rate of economic activity in the Northeast, a 4-percent decrease for the rest of the Nation, and a 2.7-percent decrease in the Gross National Product after only 2 months.

The impact that discontinuing the services of the Northeast railways would have on the economy of Michigan is staggering. For example, General Motors which depends heavily on rail transportation for necessary raw materials and shipment of automobiles would be seriously threatened. Nearly 78,000 employees of General Motors would be in danger of losing their jobs.

The problems of the Northeast railroads go far beyond mismanagement—there is no guarantee that liquidation of the bankrupt carriers under the proposed corporation would provide a lasting solution. However I feel very strongly that Congress cannot abandon efforts to reorganize and revitalize the railroads. In view of the serious socio-economic consequences faced by the Northeast and the Nation if this legislation is not passed, I urge my colleagues to join me in supporting the Regional Rail Reorganization Act.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 9142, the Regional Rail Reorganization Act of 1973. This bill is crucial to the continued economic well-being of New England and the rest of our Nation. Without such legislation, Massachusetts stands to lose more than 38,000 jobs which depend on continued rail service, and an economic collapse would undoubtedly occur in my area of the country in the very near future.

Six Northeast railroads are bankrupt and undergoing reorganization in the bankruptcy courts. Two of these railroads, the Penn Central and the Boston & Maine, are especially important to Massachusetts. The railroads are in such weak financial condition, in fact, that it will be impossible to reorganize them into profitable companies without substantial Government assistance. The deteriorating cash-flow position of Penn Central makes it doubtful that this rail line will be able to continue operations for more than a few more months, if that long, for lack of funds to meet its day-to-day obligations. In addition, since initiation of bankruptcy proceedings, the value of the estate of Penn Central creditors has, according to bankruptcy Judge Fullam, declined by at least $500 million. This "erosion of the estate" raises the risk that Judge Fullam may attempt to order the railroads into liquidation, so as to avoid unconstitutional erosion of the creditors' estate, since the fifth amendment prohibits deprivation of property without adequate compensation and due process of law.

The problems of the Northeast railroads are compounded by the overbuilt rail system some of which is, frankly, no longer necessary in a time when the growth of light industry in the Northeast, and the development of the nationwide highway system, has contributed to shrinkage in rail utilization. Nonetheless, for many industries, firms and communities, railroads are necessary for financial health. The termination of rail service, which very likely will result from the current financial crisis if Government assistance is not forthcoming, would have damaging results not only for New England and the Northeast, but for the entire Nation.

It seems to me that the Government is, to a large degree, responsible for the present plight of the railroads; that railroads serve a vital public interest, and that the Government is fully justified in now assisting in the reorganization of the Northeast rail system. For years the

railroads have been the victims of what could be termed "benign neglect" on the part of Federal, State, and local government. Railroads have been victimized by discriminatory taxation, by excessive regulatory procedures—seriously limiting the ability of the railroads to keep pace with changing economic conditions—and especially by a scarcity of Government financial help. While all levels of Government spend approximately $21 billion annually supporting other modes of transportation—air, highway, and maritime—traditionally the railroads have received little if any assistance.

My sense of the rail situation is that a substantial Federal commitment to aid the Northeast railroads is not only necessary but desirable. The railroads cannot cure themselves without Government help, and the great national importance of continued rail service in the Northeast makes it imperative that Congress act to provide for a comprehensive restructuring of the Northeast railroads, with sufficient assistance to enhance the chances for long-run success of the new rail system, and to make the railroads self-sustaining.

The importance of continued rail service to the Northeast has been documented in a recently released, comprehensive study of the Boston & Maine Railroad, conducted by the Harbridge House consulting firm for the Massachusetts Department of Transportation. The study showed that at least 51,250 jobs in the six New England States depend directly on continued operations of the B. & M. alone, and that a shutdown of B. & M. service could endanger as many as 150,000 jobs in the region. In Massachusetts as a whole, the study estimates that at least 38,842 jobs depend on the B. & M., and that termination of B. & M. operations could cause a loss of more than $568 million to the Massachusetts economy.

In the three northern congressional districts of Massachusetts alone—fifth, sixth, and seventh—the Harbridge House study shows that more than 15,000 jobs depend on the continued operation of the Boston & Maine Railroad. In the Sixth Congressional District, which I represent, the study indicates that more than 22,500 jobs are to varying degrees significantly dependent on continued rail service, and that a total of 5,309 jobs would be lost without B. & M. freight service. Worse, B. & M. termination would deprive the Sixth Congressional District of more than $132 million in economic production.

Northern Massachusetts cannot stand an economic blow of the proportions that would be caused by a cessation of rail service in a region where recovery from the 1970 recession is still laggardly at best. The unemployment rate in the Sixth Congressional District continues to be extremely high—about 9 percent—and some communities have unemployment over 15 percent. The situation in my congressional district is by no means unique. It is duplicated in cities and towns throughout Massachusetts and the Northeast.

The Harbridge House study also shows that cessation of B. & M. service would increase the cost of many major consumption items by anywhere from 1 to 5 percent. This cannot be tolerated by any of us when the country is still suffering from persistent inflation.

The Northeast rail crisis has very profound implications for environmental decay and the already severe energy crisis as well. Railroads are the most efficient of all transportation modes in terms of energy use. Termination of rail service would dramatically increase the use of trucking as an alternate transportation mode, with a corresponding jump in the requirement for gasoline and diesel oil. President Nixon has estimated a nationwide energy shortfall this winter of approximately 15 percent. Yet, the Harbridge House study estimates that if B. & M. freight service were to end, an additional 26.1 million gallons of fuel oil—enough to supply the annual electricity requirements of more than 40,000 households—would be required for truck transportation. Clearly the difficult energy situation demands that our Government encourage energy-efficient modes of transportation, a need that makes H.R. 9142 especially necessary.

The Harbridge House study is very significant with regard to its analysis of branch lines and the question of abandonment. It has been argued by some that the primary cause of the financial difficulties of the railroads is the vast network of branch lines which, allegedly, constitute a continuing and massive drain on railroad finances. Thus, according to these arguments, the way to cure the railroads is to allow for wholesale abandonment of these branch lines. The Harbridge House study, however, seriously disputes such claims. It shows that if the B. & M. were to abandon 370 miles of branch lines, it would save $1.6 million annually. At the same time, this abandonment would cost the B. & M. more than $2.1 annually in lost revenues—a net loss to the railroad of $500,000. These branch lines are the originating source of a major portion of main line traffic, traffic that would not continue if the branch lines were abandoned. In other words, abandonment of branch lines may be more financially harmful to the railroads than beneficial. In addition, branch lines are often of critical economic importance to local communities, and there are many firms in Massachusetts which have stated that abandonment of certain branch lines would cause them either to cease operation or relocate. Clearly a reorganization of the Northeast railroads must take into account the local economic importance of branch lines as well as accurate judgments of the real costs and benefits of continuing branch line service.

In this connection, I am pleased that title III of H.R. 9142 contains a provision that resulted from a proposal which Congressman TIERNAN, Democrat, of Rhode Island, and I originated, and which was later advocated by the New England Congressional Caucus and my Massachusetts colleague Congressman MACDONALD. Section 303 of title III, which establishes the criteria upon which the Federal National Railway Association shall develop the final system plan for the restructured Northeast rail system, requires that a key goal in the rail plan be:

(8) the minimization of job losses and associated increases in unemployment and community benefit costs in areas presently served.

Two other provisions of H.R. 9142 are especially important to the question of branch lines and abandonment. While without doubt there will—and should—be substantial reductions in the total amount of track mileage operated, there are safeguards for local communities in the bill. It provides that before any line can be abandoned as part of the reorganization process, shippers, States, and local or regional authorities must be given an opportunity to continue operations of the line by making up the difference between the determined costs of maintaining service and the revenues generated by the line. Another provision authorizes $50 million for the Federal share of 70/30 Federal/State-local cost-sharing subsidies that will be used to keep open lines that would otherwise be abandoned. In addition, the $50 million can be used to provide assistance in financing outright purchase of branch lines by appropriate local agencies.

Title VIII of H.R. 9142, the labor-protection provision, is also essential to the success of any railroad reorganization. It has been estimated that 5,000 jobs will be terminated as part of the restructuring of the Northeast rail system. Insofar as this restructuring will be the result of Government action, the Government has a responsibility to bear the social costs for providing for the continued welfare of rail employees who will be laid off. Title VIII is the result of negotiations between rail management and labor unions. Any alteration of the provisions of this title might result in a breakdown of the agreements reached, and thus seriously jeopardize the success of Northeast rail reorganization. I urge my colleagues to reject all amendments to this title.

The basic goal of H.R. 9142 is sound. There is a demonstrable need for comprehensive restructuring of the Northeast rail system. H.R. 9142 provides that the Federal National Railway Association—FNRA—the planning and financing agency created by the bill, will be authorized to issue up to $1 billion in Government-guaranteed bonds. At least $500 million of the funds raised through these bonds will be used to upgrade and modernize rail facilities so that service can be improved, and hopefully so that the declining trend in rail traffic can be reversed. The intent of the bill, by separating the planning and financing agency, the FNRA, from the private, for-profit operating entity, the Federal Rail Corporation—FRC—is to free the FRC from the burden of debt service that has plagued the now-bankrupt railroads.

So as to keep the rail lines in operation while the overall reorganization plan is being formulated, the bill provides $85 million for direct emergency assistance. These funds will be used to meet the cash-flow needs of the bankrupt railroads, as necessary. As to the need to prevent further erosion of the creditors'

estate, the bill provides that the creditors' rail assets to be included in the Federal Rail Corporation system shall receive common stock issued by the FRC for the value of their assets. If it is determined by the courts that FRC common stock alone is not sufficient compensation, up to $200 million in federally guaranteed FNRA bonds could be used as "sweeteners" to compensation agreements. The bill also contains provisions mandating the conveyance of all rail assets to the FRC, so that the primary goal of continued rail service can be reached.

The bill promises to give the new FRC a clean start with access to critically needed capital assured in the form of FNRA bonds. This proposal, far short of the billions of dollars that would be required for nationalization, shows great promise of achieving the goal of a self-sufficient, if not profitable, Northeast rail system that serves the public interest.

I commend the members of the Interstate and Foreign Commerce Committee for their diligent work on this legislation, and I especially congratulate my colleagues Congressmen BROCK ADAMS and DICK SHOUP for their leadership in the rail issue. Our country needs this legislation urgently. Massachusetts and the rest of the Northeast can be spared economic chaos if H.R. 9142 is enacted. I urge my colleagues to give this bill their wholehearted support.

Mr. DONOHUE. Mr. Chairman, I earnestly urge and hope that this pending bill, H.R. 9142, the Regional Rail Reorganization Act of 1973, will be overwhelmingly approved by the House this afternoon.

Basically this measure is designed to prudently, efficiently, effectively, and equitably revive and strengthen, in accord with our private enterprise traditions, several of the faltering financial railroad enterprises in the Northeast, whose continued operation is absolutely essential to the health, safety, and economic well-being of a vitally important section of this country.

Mr. Chairman, the need for this bill is unquestioned and the urgency of action now, in view of an imminent court ruling affecting the further operation of the Penn Central Railroad, is obvious.

The fundamental provisions of this measure, to consolidate parts of the six presently bankrupt Northeast rail carriers into a new for-profit nongovernmental Federal Rail Corporation and to establish a new agency, the Federal National Railroad Association, to act as the principal planner and financing instrument for the reorganization and rehabilitation of the rail system, together with other provisions requiring Federal agency cooperation, reasonable railroad employee protection, matching funds for operating subsidies to State, municipal, and regional units to maintain certain essential railroad branch services that would otherwise be discontinued and congressional approval of a final system plan, may not comprise the absolutely perfect solution to an extraordinarily complex problem, but I believe they do represent the best and most sincere and studied legislative effort that has yet been offered in effective response to a unique regional emergency.

Mr. Chairman, the technical meanings and applications of the various sections of this measure have been patiently and thoroughly explained here by the very able and dedicated managers of the committee bill; the appropriations recommended are entirely within reason, especially in view of the tremendous public service involved; and the threatened human and economic disasters that will be sensibly contained by this measure vitally affect the whole national interest. Therefore, I again urge the House to resoundingly adopt this bill without extended delay.

Mr. HOGAN. Mr. Chairman, the illness of our railroads, the problem we face today, is a matter which does not do credit to our Nation. Railroads have been "regulated" longer than other utilities, in fact since 1887. Railroading, as a most important means of transportation, has representation in the President's Cabinet.

Many people do not realize that the regulatory commissions whether over communications, power, trade or transportation are in effect or extensions of the legislative branch of Government. Regulatory commissions were devised to provide rulemaking by experts who supposedly were better equipped to deal with highly technical matters than the lawmakers who created them.

I am concerned that the regulatory experts have not resolved this problem before reaching the crisis stage. We have seen the long haul railroad passenger traffic virtually disappear, taking with it much of the commuter traffic. Yet the airline industry, which now has most of this passenger business is not well financially. Nor is the need for short-haul transportation of people being met during these days of air pollution and shortages of gasoline and highways.

In short, our regulation—our extension of law making—has failed. It seems inconceivable that regulation would not have acted more effectively on the problems we face today. It makes one wonder whether the Federal Communications Commission or the Federal Power Commission or some other commission could lead us down another primrose path.

The railroads were the most financially successful segment of business in the last century. The street car and the bus companies were also highly successful institutions at the beginning of the century. Today the telephone and the power companies are financial successes. Their revenue dollars, that you and I pay, return in direct taxes from a fifth to a third. These revenues from utilities have been a great source of taxes to our Government. But let the financial failure of the railroads be a lesson to the regulatory commissions, the regulators, and the public. Let us have regulation that is forward looking by experts who are truly expert.

Unquestionably, we must salvage our railroads without nationalization and establish a requirement of efficiency. We must do it promptly.

My district is a small one geographically. It is 25 miles one way and 50 another. It is, however, a part of the Northeast corridor. It contains the insolvent Penn Central and the yet solvent B. & O.-C. & O. A large percentage of the goods destined for Washington is unloaded in my district. Efficient rail service is very important to my district's economy.

Also of considerable concern to me, is commuter travel for my constituents. Unfortunately, H.R. 9142 says virtually nothing about commuter services. It does deal briefly with Amtrak and the Boston-Washington corridor, but Amtrak is not concerned with commuters.

Commuter service has been left to local governments. In the instance of our Nation's Capital this means fragmented responsibility. However, my State of Maryland has been attempting to aid the Maryland commuter. It "expects" funding by the Urban Mass Transportation Administration on an 80/20 basis.

Already the State is scrounging for surplus Army railroad cars. It is also negotiating with the B. & O. and the Penn Central. But it is having difficulty. Where? With the insolvent Penn Central. In a very recent letter Maryland's Secretary of Transportation wrote:

> The committee has also held initial discussions with the Penn Central regarding its commuter service. However, little progress has been made to date for two reasons:
>
> (1) We do not feel the Penn Central's terms are reasonable (full costs plus 7½ percent rate of return) and
>
> (2) the financial condition of the railroad and pending Federal legislation lead us to question the advisability of a contractual arrangement until these matters are resolved.

So passage of H.R. 9142 may mean that we in Maryland can move ahead. That is, provided the new FNRA will be receptive to the needs of the public and will move rapidly.

Another problem of commuter service in and out of Washington is the excessive charge made by the Washington Terminal Co. for movement of railroad cars in and out of Union Station. The Washington Terminal Co. is owned jointly by the Penn Central and the B. & O. railroads. The Penn Central ownership is divided between two subsidiaries. I certainly hope ownership under H.R. 9142 or similar legislation will permit negotiation with commuter train operators so that these exorbitant charges can be eliminated. My recollection is that the charge is $40 per railroad car in and out of the station. This makes it virtually impossible to provide reasonable commuter rates.

I should point out that the most comprehensive study of rail commuter service in the Washington area, the so-called "Englund" study, indicates the future of Baltimore-Washington services lies with "an improved Penn Central." Track capacity problems of the B. & O. inhibit the possibilities of expansion of B. & O. service. This is another reason for acting on H.R. 9142 promptly.

In addition to my support of State activities I have supported or cosponsored commuter-oriented legislation. I introduced H.R. 10975 which would permit the Washington Metropolitan Area Transit Authority to include commuter service in the mass transit plan.

I also sponsored H.R. 9479, a bill which would study the feasibility of high speed

tracked vehicle operation from Washington to Annapolis. Also, I cosponsored H.R. 4742 for a study of the extension of Metro to Friendship and Dulles airports. While these bills do not directly tie in with H.R. 9142, they are related. There is the possibility of use of the Penn Central tracks to Friendship. The TACV could terminate at the Metroliner-Metro facility at New Carrollton.

H.R. 9142 should be passed so that passenger rail traffic planning can have a firm basis. Now is the time to expand the Penn Central commuter business. The 1,700 persons, who ride in the morning and the 1,600 who ride at night, can be increased by a substantial number at a time when because of our fuel shortage there is great need to reduce highway traffic.

I urge an "aye" vote.

Mr. HILLIS. Mr. Chairman, the time for decisive action on the Northeast railroad crisis is upon us—a Federal court is about to authorize a plan to liquidate the Penn Central, unless Congress takes action immediately. Such a liquidation would involve closing down more than 20,000 miles of rail lines, and cause an estimated loss in national economic activity of some 4 percent within 8 weeks of the shutdown.

Today we have before us a plan which represents decisive action and which could go a long way toward providing both short-term economic assistance and long-range reorganization assistance to the beleaguered Northeast rail system.

The reorganization plan is based on an administration suggestion that a Government-established corporation oversee the reorganization, with a large part of the operation remaining in private hands. The bill incorporates this thinking through the creation of a Federal National Railway Association to implement a final reorganization plan and distribute guaranteed loans to transfer and modernize northeast rail properties.

Further, the bill creates a Federal Railroad Corporation which is to operate as a for-profit railroad company, responsible for assuming control over lines deemed essential to the Northeast rail core. As DOT suggested, this company will sell stock and hopefully could become a profitable company in its own right, just like a new Penn Central system, having been allowed to free itself from many of the regulatory, financial, and labor burdens plaguing the Penn Central which led to its demise.

The bill further provides $85 million for assistance to bankrupt railroads while the final reorganization plan is being implemented. It also establishes strong labor protection procedures, including generous displacement allowances, transfer expenses, and separation pay—following the general principle that no regular railroad employee should be adversely affected by the Northeast rail reorganization.

Further, this legislation authorizes Federal subsidies of up to 70 percent to any local government which pays to maintain a railroad line through its community which has been scheduled to be discontinued under the reorganization plan. In this way, communities which would be severely harmed by loss of Penn Central core service could take action to keep trains running through their area by choosing to subsidize crucial lines with the Federal Government's help.

What I like most about this proposal is that it provides for a full measure of economic assistance for reorganizing the Northeast railroads, with the least amount of Government interference possible. I think all of us would prefer to see a reorganization plan devised which would not require any Government interference or assistance, but this is not realistic. The railroads have been trying to bail themselves out of this labor, administrative, and regulatory quagmire for many years now, but the problems just seem to multiply. What is needed is a fresh start, with new rules and fewer encumbrances. I think that such a new approach is embodied in H.R. 9142, before us today.

Certainly this is a great improvement over the Senate-passed railroad legislation which merely provides some $210 million for loans to troubled railroads. We do not need to throw any more good money after bad—we need to provide some solutions to problems and get these railroads back on a moneymaking basis.

There is no doubt in my mind that this country needs the services provided by the Northeast railroads—and for that matter, the services of railroads all over the country, because that is the larger issue we are really addressing here. I recall the urgent telegrams and phone calls I received from farmers and businessmen last February when Penn Central was threatened by a strike—and all these people insisted they would be severely affected by any shutdown in service.

Certainly, there are other modes of transportation available today, and our policy of assistance and development of these other modes of transportation recognizes this—but the railway system remains the best form of transportation for many commodities and businesses—and the cheapest in most instances.

A national study has predicted that within 8 weeks of a Penn Central shutdown, 31 percent of the chemical produce, 13 percent of retail trade, 10 percent of iron and steel manufacturing, and 7 percent of auto manufacturing nationwide would screech to a halt.

Just yesterday I submitted for the RECORD facts and figures which show that General Motors cannot run 48 hours without being severely affected by a Penn Central liquidation—in fact, the company estimates that such a cutoff in service would force critical plant closings, eventually leading to the shutdown of the whole corporation. As an example, the company began closing down several plants throughout the country just after the first day of the February strike.

Further, a shutdown of rail service would be an economic disaster for many small communities now dependent on rail service—either for ready shipment of raw products or finished goods. The current shortage of freight cars for carrying grain will look minor if Penn Central folds this fall, due to lack of remedial action on our part.

The Wall Street Journal has estimated that termination of the Penn Central would increase U.S. unemployment by some 60 percent and decrease the national production level by 3 percent. Further, this would inevitably cause another increase in consumer prices. Considering these facts, it seems that the $2 billion authorization requested here is not a high price to pay in order to put this industry back on a healthy basis—particularly since only one-fourth of that sum involves direct grants for operating costs while the railroad is in reorganization—the remainder consists of loan guarantees, which do not involve a direct loss of funds to the Government.

I am not suggesting this piece of legislation is the perfect answer—I am sure many amendments will be offered on the floor to improve various provisions in the bill—but I wholeheartedly endorse the overall program it would establish.

I am optimistic that the Federal National Railway Association and Federal Railroad Corporation can be successful in reorganizing the Northeast lines into a workable system—saving the best and most necessary and eliminating redtape and encumbrances which have in the past spelled economic disaster to the Northeast railroads.

I would like to see control pass full back into private hands once the reorganization and upgrading of lines has been completed—this is certainly what this legislation is aimed at achieving ultimately, consistent with the American system of free enterprise.

I would urge that my colleagues lend their full support to this legislation when we vote on it today.

Mr. RANDALL. Mr. Chairman, I support H.R. 9142, the Regional Rail Reorganization Act of 1973, perhaps not with the enthusiasm of a matter of such importance but with a sense of necessity after consideration of the alternatives if some reorganization plan is not approved.

The bill is complex. There are many controversial provisions about which there are serious objections. The cost of $1.4 billion seems almost unacceptable until it is recognized that there is about $400 million in what could be said to be real money and the remaining $1 billion becomes involved as guarantees only if the reorganization plan is workable.

Mr. Chairman, I opposed the Penn-Central Emergency Rail Service Act a few years ago because that was pumping money into a status of which there was no opportunity to improve. Today, on the other hand we are making a valiant attempt to restructure the northeastern railroad in a turnaround from the neglect of the last 30 years to where it may be possible to have the kind of equipment which will improve the operating efficiency of these railroads.

No one, at this point, can say how much mileage will be eliminated but certainly some substantial reduction will be accomplished and that in itself should make the remaining structure more self-supporting.

One question which could most appropriately be asked is, Why should a Member of Congress from west central Missouri have any interest in the railroads of the Northeast? Well, the answer is, If

these railroads cease to operate, it will affect not only the so-called Northeast Corridor but the entire eastern seaboard, all of the Middle West and indirectly the Far West. It should not be forgotten that not only the Penn Central Railroad but such important railroads as the Baltimore & Ohio, Chesapeake & Ohio, and other regional carriers have their western terminus at St. Louis, Mo.

How could Missouri and mid-America be affected? Well, if the eastern railroads were to cease operation, our farmers productivity would be suddenly reduced because of no fertilizer. The shelves of our stores would all have smaller stocks. Our own plants in the Middle West would be without rail outlets to the East Coast.

If the eastern railroads shut down, 38 percent of the nonferrous metals manufacturers would cease to have means to move their product, and 31 percent of our chemical production, 10 percent of iron and steel manufacturing, and about 10 percent of the automobile production would come to a complete halt.

In my judgment, there are two overriding reasons why we must make an attempt to save the Northeast railroads. First, because of the energy crisis or fuel shortage. The shortage in this country of gasoline, heating oil, diesel fuel, or natural gas is no longer a Halloween scare but a reality. I cannot readily or precisely supply the statistics but a long freight train with the reduced friction of steel on steel will use only 40 percent or as little as one-third or even one-fourth as much fuel as would take to haul the same tonnage over the highways. Some kind of statistical study should be undertaken to see the extent of a saving of fuel that can be accomplished by greater use of our railroads.

But, Mr. Chairman, the inarticulate, unexpressed silent but major premise back of this entire regional rail reorganization act is the matter of national defense. We are a nation where our two coasts are connected by an interstate rail system. Who can forget that it was our railroads most of all that helped us win World War II. Where would we have been without them at that time? Where would we be without them today in a new emergency? In a word, our railroads are indispensable to national defense.

Mr. Chairman, if any additional reason is needed to support this plan, there is the fact that before long, with the shortage of fuel we may be forced to park cars and depend on mass transportation. Those suburbs surrounding our big cities of the East know that they have driven bumper to bumper with one person in a car for a long while. If we can revitalize our commuter trains we could eliminate some of these traffic jams. We hear a lot about mass transit. If we save our eastern railroads we have made a step in the right direction. If we save our commuter system we take a giant step forward to solve not only the congestion in our cities but also a great stride to ease the stress and strain of the fuel crisis that we all must face in the years that lie immediately ahead.

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

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

The Clerk read as follows:

H.R. 9142

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 "Regional Rail Reorganization Act of 1973".

TITLE I—GENERAL PROVISIONS

SEC. 101. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.—The Congress hereby finds that certain essential rail services in the region, as defined in section 102 (7) of this Act, are provided by railroads undergoing reorganization under the Bankruptcy Act and that such services are threatened with cessation; that the public convenience and necessity require continuation and improvement of such services to the end of meeting the commerce needs in the United States, particularly in such region, preserving national rail transportation service and promoting the national defense; that modern, efficient rail service in such region is a necessary part of a national rail transportation system; that a plan of reorganization is necessary for the restructure, rehabilitation, and modernization of railroads in such region which are undergoing reorganization into an economically viable rail system; that rail service offers economic environmental advantages in terms of land use, air pollution, noise levels, and energy conservation; and that creation of the Federal National Railway Association, with the powers provided under section 202 of this Act, creation of the Federal Rail Corporation, with the powers provided under section 402 of this Act, and provision for Federal financial assistance are necessary to facilitate the reorganization of such railroads and to assure continuation of adequate rail service in the United States, particularly in such region.

SEC. 102. DEFINITIONS.—For the purpose of this Act—

(1) The term "association" means the Federal National Railway Association created under section 201 of this Act.

(2) The term "bankrupt railroad" means a railroad in reorganization which, pursuant to section 301 of this Act, is determined by a court not to have a reasonable likelihood of being reorganized successfully on an income basis under section 77 of the Bankruptcy Act (11 U.S.C. 205).

(3) The term "Commission" means the Interstate Commerce Commission.

(4) The term "corporation" means the Federal Rail Corporation created under section 401 of this Act.

(5) The term "fair and equitable value" means, with reference to the rail properties of a railroad in reorganization which are to be acquired by the corporation, by a nonbankrupt railroad, or by a profitable railroad and operated in accordance with the final system plan, either the fair liquidation value or going concern value thereof as of September 30, 1973, as provided in the final system plan, except that in no event shall such rail properties be valued at more than the constitutional minimum required for their acquisition, taking into consideration the public interest character of such properties. For the purposes of this paragraph, fair liquidation value is the best price that the then existing market could fairly be expected to provide for the sale of such rail properties over a reasonable period of time less the economic costs and expenses incident to holding and maintaining such properties over such time and to their disposition and less a reasonable discount for delay in receipt of proceeds over such time; and going concern value is the capitalized value of the earning power of such properties projected over a reasonable period of time, giving due consideration to the effect and cost of implementation of the final system plan.

(6) The term "nonbankrupt railroad" means any railroad in reorganization which, pursuant to section 301 of this Act, is determined or presumed to have a reasonable likelihood of being reorganized on an income basis under section 77 of the Bankruptcy Act (11 U.S.C. 205).

(7) The term "region" means the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Indiana, Michigan, and Illinois, the District of Columbia, and those portions of contiguous States in which are located facilities owned or operated by railroads doing business primarily in the aforementioned jurisdictions (as determined by the Commission by order).

(8) The term "office" means the Regional Rail Services Planning Office created under section 305 of this Act.

(9) The term "profitable railroad" means—

(A) with respect to the area consisting of the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, and Maryland, and the District of Columbia, any railroad operating substantially in such area, which railroad is not undergoing reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205); and

(B) with respect to the States of Virginia, West Virginia, Ohio, Indiana, Michigan, and Illinois, and those portions of contiguous States in which are located facilities owned or operated by railroads doing business in such States, any railroad operating in the State, which railroad is not undergoing reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205).

(10) The term "rail properties" means all of the assets and business owned, leased, or otherwise controlled by a railroad which are used or useful in rail transportation service.

(11) The term "railroad" means any common carrier by railroad as defined in section 1(3) of part I of the Interstate Commerce Act (49 U.S.C. 1(3)).

(12) The term "railroad in reorganization" means a railroad operating principally in the region, which railroad is undergoing reorganization in a proceeding under section 77 of the Bankruptcy Act (11 U.S.C. 205).

(13) The term "final system plan" means the plan of reorganization for the restructure, rehabilitation, and modernization of railroads in reorganization prepared pursuant to section 309 of this Act.

(14) The term "Secretary" means the Secretary of Transportation or his delegate unless the context indicates otherwise.

TITLE II—FEDERAL NATIONAL RAILWAY ASSOCIATION

SEC. 201. ESTABLISHMENT OF THE ASSOCIATION.—There is hereby created a body corporate to be known as the "Federal National Railway Association". The association shall be a nonprofit corporation. The association shall have succession until dissolved by Act of Congress. It shall maintain its principal office in the District of Columbia and shall be deeemd, for purposes of venue in civil actions, to be a resident thereof.

SEC. 202. GENERAL POWERS.—(a) The association, in order to achieve the objectives and to carry out the purposes of this Act, is authorized to—

(1) assist in the preparation and implementation of the final system plan;

(2) provide assistance in the form of loans for the purchase, rehabilitation, and modernization of rail properties of railroads in reorganization;

(3) provide assistance in the form of loans

to any railroad which (A) connects with a railroad in reorganization, and (B) is in need of financial assistance to avoid reorganization proceedings under section 77 of the Bankruptcy Act; and

(4) provide assistance to the National Railroad Passenger Corporation in the form of loans for the improvement of those rail properties generally described as the Northeast Corridor between Boston, Massachusetts, and the District of Columbia.

(b) To carry out its purposes, the association shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act.

SEC. 203. DIRECTORS AND OFFICERS.—(a) The association shall have a board of nine directors consisting of individuals who are citizens of the United States. There will be four ex officio members of the board, as follows: The chairman of the association, the Secretary, the Chairman of the Commission, and the Chairman of the Federal Reserve Board. Each ex officio member may designate a subordinate official to perform any function vested in him under this Act, but such designation shall not relieve him of his responsibility in office for the acts of the subordinate official so designated and such designation shall be revocable at any time. Five members of the board shall be appointed by the President, by and with the advice and consent of the Senate, for terms of three years and until their successors have been appointed and qualified. Any appointive seat which becomes vacant shall be filled by appointees of the President, but only for the unexpired term of the director he succeeds. Members of the board of directors appointed by the President shall be selected as follows:

(1) One shall be selected from among representatives of shippers by rail.

(2) One shall be selected from among representatives of railroads not undergoing reorganization under the Bankruptcy Act.

(3) One shall be selected from among not less than two individuals recommended by the National Governors' Conference.

(4) One shall be selected from among not less than two individuals recommended by the National League of Cities and Conference of Mayors.

(5) One shall be selected from among not less than two individuals recommended by the American Federation of Labor and Congress of Industrial Organizations.

Except for the members of the board representing railway labor organizations and railroads, no director may have any direct or indirect employment or financial relationship with any railroad during the time he serves on the board. Each of the directors not employed by the Federal Government shall receive compensation at the rate of $150 for each meeting of the board he attends. In addition, each director shall be reimbursed for necessary travel and subsistence expenses incurred in attending meetings of the board.

(b) The board of directors of the association shall have an executive committee consisting of the chairman of the association, the Secretary, and the Chairman of the Commission.

(c) The board of directors is empowered to adopt and amend bylaws governing the operation of association.

(d) The association shall have a chairman who shall be appointed by the President, by and with the advice and consent of the Senate, within thirty days after the date of enactment of this Act. The association shall have such other officers as may be appointed by the board. The rates of compensation of all officers shall be fixed by the board. No individual other than a citizen of the United States may be an officer of the association. No officer of the association may have any direct or indirect employment or financial relationship with any railroad during the time of his employment by the association or may have had at any time any such relationship with any railroad in reorganization.

TITLE III—REGIONAL RAIL SYSTEM

SEC. 301. DETERMINATION OF STATUS OF RAILROADS IN REORGANIZATION.—Within sixty days after the date of enactment of this Act, each United States district court having jurisdiction over a railroad in reorganization shall make a finding as to whether or not, based on the financial condition of and prospects for such railroad, it can be reorganized on an income basis under section 77 of the Bankruptcy Act. With respect to a railroad which is found not to be reorganizable on an income basis under section 77 of the Bankruptcy Act, the court shall enter an order to the effect that such railroad shall be reorganized in accordance with the provisions of this Act and those provisions of such section 77 not inconsistent with this Act, or the court may entertain a motion to dismiss the section 77 proceedings. In any case in which a United States district court does not make the finding referred to in the first sentence of this section with respect to any railroad in reorganization within the sixty-day period referred to in such sentence, such railroad shall be presumed to be a railroad with respect to which there is a reasonable likelihood that it can be reorganized on an income basis under section 77 of the Bankruptcy Act. In the event that a railroad is found not to be reorganizable on an income basis under section 77 of the Bankruptcy Act, the court shall advise the association with respect to its findings under this section. The finding of each district court under the first sentence of this section, or the presumption created under the third sentence of this section, as the case may be, shall be subject to appeal as in the case of an order granting or denying a preliminary injunction pursuant to rule 52 of the Federal Rules of Civil Procedure and section 1292 of title 28 of the United States Code and any such appeal proceedings shall be concluded on an expedited basis.

SEC. 302. ACCESS TO INFORMATION.—Each railroad (including profitable, nonbankrupt, and bankrupt railroads) operating in the region shall provide such information as may be requested by the chairman or executive committee of the association or by the Secretary in connection with the performance of their respective functions under any provision of this Act. The chairman or executive committee of the association or the Secretary may, during the period beginning on the date of enactment of this Act and ending on the effective date of the final system plan, obtain any such information by subpena. In case of contumacy by or a refusal to obey a subpena served upon a railroad under this section, the district courts of the United States, upon application by the Attorney General upon request of the chairman or executive committee of the association or the Secretary shall have jurisdiction to issue an order requiring the railroad to produce the information, and any failure to obey such order of the court may be punished by the court as a contempt thereof. Nothing in this section shall authorize the withholding of information by the chairman or executive committee of the association, by the Secretary, or by any railroad operating in the region from the duly authorized committees of the Congress.

SEC. 303. CRITERIA FOR THE FORMULATION OF THE FINAL SYSTEM PLAN.—(a) The final system plan shall be formulated in the light of the following goals—

(1) the objective of creating, through a process of reorganization, a financially self-sustaining rail service system;

(2) the need for continued or improved rail service by the persons, communities, geographic zones, and cities presently served;

(3) the preservation, to the maximum extent practicable, of existing patterns of service by railroads (including short-line and terminal railroads) and alternative modes of transportation;

(4) the availability, cost, and effect upon the human environment of alternative modes of transportation and the ability of those modes to replace rail service;

(5) the requirements of commuter and intercity rail passenger service and the extent to which there should be coordination with the National Rail Passenger Corporation and similar entities; and the identification of all short-to-medium distance corridors in densely populated areas in which the major upgrading of rail lines for high-speed passenger operation would return substantial public benefits;

(6) the preservation of rail service competition;

(7) the environmental impact of alternative choices of action, particularly with regard to the effects on attainment and maintenance of any national ambient air quality standard established by the Clean Air Act Amendments of 1970; and

(8) the minimization of job losses and associated increases in unemployment and community benefit costs in areas presently served.

The final system plan shall be based upon due consideration of all relevant factors, including the need for and cost of rehabilitation and improvement of physical facilities, alternative means to achieve system rationalization, the cost of labor protection, employment impact studies, marketing studies, traffic evaluations, and financial studies.

(b) The final system plan shall designate those rail properties of the bankrupt railroads to be operated by the corporation and shall provide that such rail properties be conveyed to and acquired by the corporation. Rail properties of bankrupt railroads not conveyed to the corporation or to a nonbankrupt or to a profitable railroad pursuant to the final system plan shall be abandoned in accordance with the provisions of this Act.

(c) The final system plan shall also designate:

(1) which rail properties of the bankrupt railroads shall be offered for sale to nonbankrupt railroads or to profitable railroads and, if purchased, be operated by such railroads;

(2) which rail properties of the nonbankrupt railroads should—

(A) be offered for sale to another nonbankrupt railroad or to a profitable railroad and, if so offered and purchased, shall be operated by such railroad,

(B) be offered for sale to the corporation and, if so offered, shall be acquired and operated by it, and

(C) be abandoned in accordance with the provisions of this Act;

(3) what additions to or changes in the designation of rail properties to be acquired and operated by the corporation shall be made—

(A) if any nonbankrupt railroad or profitable railroad fails to purchase rail properties of a bankrupt railroad offered to it as provided in paragraph (1) above, or

(B) if any nonbankrupt railroad declines to offer rail properties for sale as provided in paragraph (2) above or, if so offered, the offeree (other than the corporation) declines to purchase said properties;

(4) which rail properties, located in the area generally described as the Northeast Corridor between Boston, Massachusetts, and the District of Columbia, shall be acquired by the corporation for lease to the National Railroad Passenger Corporation for the purpose of providing railroad passenger service in that corridor; and

(5) those rail properties (particularly rights-of-way) not to be operated by the

corporation or by any other railroad which are suitable for use for other public purposes, including but not limited to, roads or highways, other forms of mass transportation, conservation, and recreation.

In carrying out the provisions of paragraph (5) of this subsection, the executive committee of the association shall solicit the views and recommendations of interested agencies of the Federal Government (including specifically the Secretary of Transportation and the Secretary of the Interior) and of State and local governments. The Secretary of Transportation and the Secretary of the Interior shall, at the request of such executive committee, submit such recommendations as they may deem appropriate to carry out the provisions of paragraph (5) of this subsection.

(d) All authorizations to convey or conveyances contemplated under subsections (b) and (c) of this section shall be made in accordance with and subject to the following terms and conditions:

(1) All rail properties to be conveyed by a bankrupt railroad to the corporation as provided in subsection (b) of this section shall be conveyed in exchange for all of the initially issued common stock and, if necessary, for other securities of the corporation (which may include obligations of the association), having a value equal to the fair and equitable value of such rail properties.

(2) All rail properties to be conveyed by a railroad in reorganization (except those conveyed by a bankrupt railroad to the corporation) to a nonbankrupt railroad, to a profitable railroad, or to the corporation as provided in subsections (c)(1) and (c)(2) of this section shall be conveyed in exchange for obligations having a value equal to the fair and equitable value of such rail properties.

(3) Any nonbankrupt railroad which may offer to sell rail properties to another nonbankrupt railroad, to a profitable railroad, or to the corporation, must make an irrevocable offer, which has been approved by the bankruptcy court having jurisdiction over its reorganization proceeding, to sell such properties to the nonbankrupt railroad, to the profitable railroad, or to the corporation within sixty days following the effective date of the final system plan. If such offer is not made within the designated time, authorization for the nonbankrupt railroad to offer such rail properties to another nonbankrupt railroad, to a profitable railroad, or to the corporation shall lapse and be of no further force or effect. Such offer must be accepted by the nonbankrupt railroad, such acceptance having been approved by the bankruptcy court having jurisdiction over its bankruptcy proceeding, or by the profitable railroad within seventy-five days following the effective date of the final system plan. If such acceptance is not made within the designated time, authorization for the nonbankrupt railroad or the profitable railroad to accept such offer shall lapse and be of no further force or effect.

(4) Within seventy-five days following the effective date of the final system plan, nonbankrupt railroads and profitable railroads shall have entered into purchase agreements with the bankrupt railroads directed to offer rail properties to nonbankrupt railroads or profitable railroads, as provided in subsection (c)(1) and, if such agreements are not concluded within the designated time, the authorization to offer such rail properties for sale shall lapse and be of no further force and effect.

(e) The final system plan shall set forth (1) pro forma earnings for the corporation, as reasonably projected and considering the additions or changes in the designation of rail properties to be operated by the corporation which may be made in accordance with subsection (c)(3) of this section, and (2) the capital structure of the corporation which shall be based on its earnings as reasonably projected and which shall include such debt capitalization as shall be reasonably deemed to conform to the requirements of the public interest respecting railroad debt securities, including the adequacy of coverage of fixed charges.

(f) The final system plan shall further designate the fair and equitable value of all rail properties to be conveyed or which may be conveyed under the final system plan, the amount, terms, and value of the securities of the corporation (which may include obligations of the association) to be exchanged as provided in subsection (d)(1) of this section for those rail properties to be conveyed to the corporation in accordance with the final system plan, and the amount, terms, and value of the obligations to be exchanged as provided in subsection (d)(2) of this section for those rail properties to be conveyed to nonbankrupt railroads, to profitable railroads, or to the corporation in accordance with the final system plan.

(g) The final system plan may also recommend transfers of rail properties from profitable railroads to the corporation, to nonbankrupt railroads, or to other profitable railroads, or may recommend arrangements for joint use, ownership, or operation of rail properties among profitable railroads, nonbankrupt railroads, and the corporation, subject to such terms and conditions as may be specified in the final system plan.

(h) The final system plan shall set forth the maximum amount of obligations issued by the association under section 601 which should be outstanding at any one time to enable it to carry out its purposes under this Act.

(i) The pendency of appeal proceedings referred to in section 301 of this Act shall not defer execution of the obligations imposed under this section.

(j) Notwithstanding any other provision of this Act no acquisition under this Act by any profitable railroad shall be made without a determination, with respect to each such acquisition, by the association and by the Commission that such acquisition will not materially impair the profitability of any other profitable railroad or of the corporation. Each determination referred to in the preceding sentence shall be made on an expedited basis.

SEC. 304. PRELIMINARY REPORT ON CORE RAIL SERVICE.—(a) Within thirty days after the date of enactment of this Act, the Secretary shall prepare a preliminary report containing his recommendations for the identification of geographic zones in the region within and between which rail freight service shall be provided. The Secretary may use as a basis for the establishment of the zones standard metropolitan statistical areas used in the last United States census, groups of those areas, counties, or groups of counties having similar economic characteristics, such as mining, manufacturing, and agricultural activities.

(b) Upon completion of the preliminary report required by subsection (a) of this section, the Secretary shall submit the report to the Office of the Commission, make the report available to interested parties, the States and their public utility commissions, local governments, and consumer interest groups, and publish the report in the Federal Register.

SEC. 305. REVIEW BY THE REGIONAL RAIL SERVICES PLANNING OFFICE.—(a) There is hereby established a new Office in the Commission to be known as the Regional Rail Services Planning Office. This Office shall function pursuant to the provisions of this section and section 308 and shall cease to exist on the effective date of the final system plan. The Office of the Commission shall be administered by a Director who shall be appointed by the Chairman of the Commission with the concurrence of at least five members of the Commission.

(b) Within thirty days after the Secretary completes the preliminary report on core rail service required by section 304 of this Act, the Director of the Office shall solicit from all interested parties (including, but not limited to, the Department of Transportation, the association, the public, and the users of rail services) comments, data, and arguments on the report. In addition, the Director shall hold public hearings on the report, in accordance with section 553 of title 5 of the United States Code, in at least twelve different locations in the region.

(c) Within ninety days after the date of enactment of this Act, the Director of the Office shall, after affording due consideration to the relevant matter submitted in writing or presented at the public hearings, submit to the Commission and to the association his recommendations for the preparation of a final report on core rail service together with a summary of the recommendations of those who contributed comments on the preliminary report and his reasons for not adopting such recommendations.

SEC. 306. FINAL REPORT ON CORE RAIL SERVICE.—(a) Within one hundred and twenty days after the date of enactment of this Act, the Commission shall issue a final report on core rail service.

(b) The final report on core rail service shall be submitted to the board of directors of the association. Within thirty days after receipt of the report the board of directors of the association shall by a majority vote of all its members approve a final report on core rail service which is consistent with the standards set forth in subsection (a) of section 303 of this Act relating to the formulation of the final system plan.

SEC. 307. PREPARATION OF PRELIMINARY SYSTEM PLAN.—(a) Within three hundred days after the date of enactment of this Act, the executive committee of the association shall prepare and submit to the Office of the Commission a preliminary system plan.

(b) Upon completion of the preliminary system plan required by subsection (a) of this section, the executive committee shall make the preliminary system plan available to interested parties, the States in the region and their public utility commissions, local governments, and consumer groups, and publish the preliminary system plan in the Federal Register.

SEC. 308. HEARINGS BY THE OFFICE OF THE COMMISSION.—Upon receipt of the preliminary system plan prepared under section 307 of this Act, the Office of the Commission shall hold public hearings on the preliminary system plan in accordance with section 553 of title 5 of the United States Code, in at least twelve different locations in the region, and afford interested persons an opportunity to submit written comments thereon. Within sixty days after receipt of the preliminary system plan, the Director of the Office of the Commission shall submit to the executive committee of the association a summary of the recommendations of those who contributed comments on the preliminary system plan.

SEC. 309. FINAL SYSTEM PLAN.—Within sixty days after receipt of the summary of recommendations from the Office of the Commission, the executive committee of the association shall prepare and submit for approval to the board of directors of the association a final system plan. Within thirty days after receipt of the final system plan, the board of directors of the association shall by a majority vote of all its members approve a final system plan which is consistent with section 303 of this Act and includes substantially all the rail service envisioned in the final report issued under section 306 of this Act.

SEC. 310. REVIEW BY THE CONGRESS.—(a) The board of directors of the association shall deliver the final system plan adopted

by it to both Houses of the Congress on the same day and to each House while it is in session on the date it is so adopted or, if either House is not in session on such date, on the first day thereafter that both Houses are in session. The final system plan shall become effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the final system plan it transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that that House does not favor the final system plan.

(b) For the purpose of subsection (a) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(c) In any case in which either House passes a resolution referred to in subsection (a) of this section, the board of directors of the association shall deliver a revised final system plan to the Congress in the same manner as in the case of the original final system plan and such revised final system plan shall be subject to review in the same manner as in the case of the original final system plan. The revised final system plan shall become effective in the same manner as provided in the case of the original final system plan. The final system plan which becomes effective under this section shall not be reviewable by any court or body, except as provided under section 501 of this Act.

TITLE IV—FEDERAL RAIL CORPORATION

SEC. 401. ESTABLISHMENT OF THE CORPORATION.—There is authorized and directed to be created a body corporate to be known as the "Federal Rail Corporation". The corporation shall be a for-profit corporation. The principal office of the corporation shall be located in Philadelphia, Pennsylvania. The corporation shall be established under the laws of a State (including the District of Columbia) and shall not be an agency or establishment of the United States Government. It shall be subject to the provisions of this Act, and to the extent consistent with this Act, to applicable State laws. The Secretary, the chairman of the association, and the Chairman of the Commission shall be the incorporators of the corporation and shall also serve as its initial board of directors until the shares of common stock of the corporation are issued to the estates of the bankrupt railroads in accordance with section 502 of this Act. So long as more than one-half of the outstanding indebtedness of the corporation is represented by securities, obligations, or loans issued by the association under this Act, or is guaranteed by the Secretary under this Act, no individual shall be eligible to serve as a member of the board of directors of the corporation (other than the initial board of directors) until he has been approved by the board of directors of the association. The incorporators and initial directors shall take whatever actions are necessary to establish the corporation, including the filing of articles of incorporation and the adoption of bylaws. The corporation shall be deemed a common carrier by railroad within the meaning of section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)), effective as of the date on which the corporation commences rail service after purchase of rail properties of railroads in reorganization pursuant to section 502 of this Act.

SEC. 402. GENERAL POWERS.—The purpose of the corporation shall be to acquire the rail properties of railroads in reorganization in accordance with title V of this Act, to operate, rehabilitate, and modernize the rail properties so acquired which are included in the corporation's rail system under the final system plan, and to contract for the operation of rail lines which are not in the corporation's rail system under the final system plan. To carry out their functions and purposes under this Act, the corporation and any corporation it creates under this Act shall have, in addition to the powers vested in the corporation under this Act, the powers conferred upon them under the laws of the State or States in which they are incorporated and the usual powers of a railroad under the laws of any State in which they operate.

SEC. 403. INITIAL CAPITALIZATION OF CORPORATION.—In order to carry out the final system plan the corporation is authorized to issue stock and other securities. Common stock shall be issued initially to the estates of the bankrupt railroads in exchange for rail properties conveyed to the corporation pursuant to the final system plan.

TITLE V—IMPLEMENTATION OF THE FINAL SYSTEM PLAN

SEC. 501. REVIEW; CONSOLIDATION OF PROCEEDINGS; CERTIFICATION TO DISTRICT COURT.—(a) The final system plan shall not be reviewable by any court except as to matters concerning the value of the rail properties to be conveyed thereunder and the value of the consideration to be received therefor. Within fifteen days after the public release of the preliminary system plan, the association shall make an application to the judicial panel on multidistrict litigation authorized by section 1407 of title 28, United States Code, for the consolidation in a single, three-judge district court of all proceedings of any kind which arise or may arise concerning the final system plan or implementation thereof. Within thirty days after the date of such application, the panel shall make the consolidation in a United States district court (the "consolidated district court") which the panel determines is convenient to the parties and will promote a just and efficient conclusion to the proceedings. The consolidated proceedings shall be conducted by the consolidated district court composed of three judges selected by the panel, who are not assigned to any proceeding under section 77 of the Bankruptcy Act involving any of the railroads in reorganization. The judges to whom the proceedings are assigned may exercise the powers of a district judge in any district for the purpose of conducting the consolidated proceedings. No proceedings for review of any order of the panel under this subsection may be permitted. The panel may prescribe rules for the conduct of its functions under this subsection.

(b) Within ninety days but not earlier than seventy-five days after the effective date of the final system plan, the association shall deliver a copy of the final system plan and certify to the consolidated district court—

(1) which rail properties of the respective bankrupt railroads are to be conveyed to the corporation in accordance with the final system plan;

(2) which rail properties of the respective non-bankrupt railroads are to be conveyed to the corporation in accordance with the final system plan;

(3) which rail properties of the respective bankrupt railroads are to be conveyed to nonbankrupt railroads or to profitable railroads in accordance with the final system plan;

(4) which rail properties of the respective nonbankrupt railroads are to be conveyed to other non-bankrupt railroads or to profitable railroads in accordance with the final system plan;

(5) the fair and equitable value of all rail properties to be conveyed as indicated in paragraphs (1)–(4) of this subsection;

(6) the amount, terms, and value of the securities of the corporation (including any obligations of the association) to be exchanged for those rail properties of bankrupt railroads to be conveyed to the corporation pursuant to the final system plan and as indicated in paragraph (1) of this subsection;

(7) the amount, terms, and value of obligations to be received by the railroads in reorganization in exchange for those rail properties to be conveyed to nonbankrupt railroads, to profitable railroads, or to the corporation pursuant to the final system plan and as indicated in paragraphs (2), (3), and (4) of this subsection;

(8) that the securities of the corporation (including any obligations of the association) to be received by the respective bankrupt railroads will have a value equal to the fair and equitable value of the rail properties to be conveyed to the corporation in exchange therefor; and

(9) that the obligations to be received by the respective railroads in reorganization in exchange for the rail properties to be conveyed to the respective nonbankrupt railroads, to the respective profitable railroads, or to the corporation (excluding those rail properties to be conveyed by a bankrupt railroad to the corporation) have a value equal to the fair and equitable value of the respective rail properties to be so conveyed.

(c) Within ninety days but not earlier than seventy-five days after the effective date of the final system plan, the association shall deliver a copy of the final system plan and certify to each United States district court having jurisdiction over a railroad in reorganization—

(1) which rail properties of that railroad in reorganization are to be conveyed to the corporation under the final system plan; and

(2) which rail properties of that railroad in reorganization are to be conveyed to nonbankrupt railroads or to profitable railroads under the final system plan.

SEC. 502. VALUATION AND CONVEYANCE OF RAIL PROPERTIES.—(a) Within ten days after the certifications referred to in sections 501 (b) and (c) are made, (1) the corporation, in exchange for the rail properties of the railroads in reorganization to be conveyed to the corporation, shall deposit with the consolidated district court all of the common stock of the corporation initially issued under this Act and other securities of the corporation initially issued under this Act and other securities of the corporation and obligations of the association with a value equal to the fair and equitable value of such rail properties as provided in the final system plan, and (2) each nonbankrupt railroad or profitable railroad purchasing rail properties from a railroad in reorganization under authorization of the final system plan shall deposit with the district court obligations with a value equal to the fair and equitable value of the rail properties to be conveyed in exchange therefor as provided in the final system plan.

(b) Each district court having jurisdiction over a railroad in reorganization shall (1) within ten days after deposit of the securities of the corporation and obligations of the association with the consolidated district court as provided in subsection (a)(1) of this section, order the trustee or trustees of such railroad to convey forthwith to the corporation all right, title, and interest in the rail properties of the railroad that are to be conveyed to the corporation under the final system plan as certified to the respective district courts under subsection (c)(1) of section 501 of this Act, and (2) within ten days after deposit of obligations with the consolidated district court as provided in subsection (a)(2) of this section, order the trustee or trustees of such railroad to convey forthwith to the respective nonbankrupt railroads or to the respective profitable railroads

all right, title, and interest in the rail properties of that railroad which are to be conveyed in accordance with the final system plan as certified to the respective district courts under subsection (c)(2) of section 501 of this Act.

(c) Following conveyance of the rail properties to the corporation, to nonbankrupt railroads, and to profitable railroads as provided in subsection (b) of this section, the consolidated district court shall—

(1) make a finding as to whether or not the securities of the corporation (including any obligations of the association) deposited with the consolidated district court in exchange for rail properties of bankrupt railroads have a value which is equal to the fair and equitable value of the rail properties conveyed to the corporation in exchange therefor, such finding to give due consideration to the findings contained in the final system plan;

(2) determine the fair and equitable value of—

(A) all of the rail properties conveyed to the corporation by all bankrupt railroads, and

(B) the rail properties conveyed to the corporation by each bankrupt railroad,

such determinations to give due consideration to the findings contained in the final system plan; and

(3) determine the fair and equitable value of the rail properties conveyed by each respective railroad in reorganization to a nonbankrupt railroad, to a profitable railroad, or to the corporation and the value of the obligations deposited by each nonbankrupt railroad, by each profitable railroad, or by the corporation, such findings to give due consideration to the findings contained in the final system plan.

(d) Upon making the findings and determinations referred to in paragraphs (1), (2), and (3) of subsection (c) of this section, the consolidated district court shall order distribution, to the estate of each railroad in reorganization which conveyed rail properties to a nonbankrupt railroad or to a profitable railroad, of obligations deposited with the consolidated court by the nonbankrupt railroad or the profitable railroad, as the case may be, with a value as of the date of the conveyance of the rail properties to any such railroad equal to the fair and equitable value of the rail properties so conveyed and, in the case of any such conveyance to the corporation, the consolidated district court shall order distribution of the securities of the corporation (including any obligations of the association), deposited with the court by the corporation with a value as of the date of the conveyance of the rail properties to the corporation equal to the fair and equitable value of the rail properties so conveyed. Any excess obligations shall be returned to the nonbankrupt railroad, to the profitable railroad, or to the corporation, as the case may be, and, if the consolidated district court finds that the obligations deposited by the nonbankrupt railroad or by the profitable railroad, or that the securities deposited by the corporation (including any obligations of the association), have a value as of the date of conveyance which is less than the fair and equitable value of the rail properties so conveyed to the nonbankrupt railroad, to the profitable railroad, or to the corporation, the district court shall enter a judgment against the nonbankrupt railroad or the profitable railroad for the amount of the deficiency to be paid in additional obligations, or against the corporation for the amount of the deficiency to be paid in securities of the corporation (which may include obligations of the association), in such amount and with such terms as the district court shall prescribe as necessary to equal the fair and equitable value of the rail properties conveyed.

(e) After distribution of such portion of the consideration as may be properly allocated to a railroad in reorganization to the estate thereof, thereafter the distribution or other disposition of such consideration shall be governed by the procedures of section 77 of the Bankruptcy Act with respect to each of the reorganization proceedings.

(f) All rail properties conveyed to a nonbankrupt railroad, to a profitable railroad, or to the corporation pursuant to this section shall be conveyed free and clear of any liens or encumbrances. Such conveyances shall not be deferred by reason of any controversy concerning the value of the rail properties to be conveyed or the value or amount of the obligations or of the securities of the corporation (including any obligations of the association) to be exchanged for said properties, and shall not be restrained or enjoined by any court on account of any such controversy.

(g) Each order entered pursuant to subsection (c) of this section shall be appealable forthwith unless the court within seven days of the entry of such an order shall determine in writing that such an appeal would not be in the interest of an expeditious conclusion of the proceedings. Appeals from such orders shall be taken directly to the Supreme Court of the United States in the same manner as injunction order pursuant to section 1253 of title 28, United States Code. A determination denying appeal pursuant to this section may be vacated at any time on the motion of the court or any party, and the order shall then become appealable on the date such determination is vacated. Any review or appeal of orders entered pursuant to subsection (c) of this section and of findings of a court pursuant to this subsection shall be concluded on an expedited basis.

SEC. 503. DISCONTINUANCE OF SERVICE; ABANDONMENTS; CHANGES IN RAIL SYSTEM.—(a) Except as limited by subsection (c) of this section, rail service on rail properties of a railroad in reorganization beyond that operated pursuant to the final system plan may be discontinued upon ninety days' notice in writing to the Governor and State transportation agencies of each State, and to the government of each community, in which such rail properties are located, and to each shipper who has utilized such facilities during the previous twelve-month period.

(b)(1) Rail properties over which service has been discontinued pursuant to subsection (a) of this section may not be abandoned during the six-month period following the effective date of the final system plan. Thereafter, except as limited by subsection (c) of this section, such rail properties may be abandoned upon thirty days' notice to the Governor and State transportation agencies of each State in which rail properties are located, affected shippers and local communities, and the Secretary.

(2) In any case in which rail properties proposed to be abandoned under this section are designated by the final system plan as rail properties which are suitable for use for other public purposes (including but not limited to, roads or highways(other forms of mass transportation, conservation, and recreation), such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the six-month period beginning on the date of notice of proposed abandonment under this section unless such rail properties have first been offered, upon reasonable terms, for acquisition for public purposes by the State or local community in which they are located and such State or local community has refused such offer.

(c) Discontinuance of service and abandonment of rail properties may be effected under subsections (a) and (b) notwithstanding the provisions of the Interstate Commerce Act or the laws or constitution of any State or the decision or order of or the pendency of any proceeding before any Federal or State court, agency, or authority: *Provided, however,* That no rail service may be discontinued or rail properties abandoned pursuant to the provisions of this section (1) after two years from the effective date of the final system plan (not considering in the calculation of such two-year period, however, that period during which rail properties are operated under an operating subsidy as hereinafter provided), or (2) if a shipper, a State, or a local or regional authority, or other responsible person offers an operating subsidy that covers the difference between the revenue attributable to such rail properties and the fully distributed costs of handling traffic on such rail properties plus a reasonable return on the fair liquidation value of such rail properties or offers to purchase such rail properties or related facilities for their fair liquidation value. In the event that an operating subsidy is offered, the corporation, the railroad in reorganization (or the railroad leased, controlled, or operated by it) and the person offering the subsidy shall enter into an operating agreement under which the corporation will operate such rail properties and shall receive the difference between the revenue attributable to such rail properties and the fully distributed costs of handling traffic on such rail properties, and the railroad in reorganization (or the railroad leased, operated, or controlled by it) shall receive the reasonable rate of return on the liquidation value of such rail properties. Within six months after the date of enactment of this Act, the Commission shall, after affording an opportunity for public hearings in accordance with section 553 of title 5 of the United States Code, determine and publish standards for determining the "revenue attributable to the rail properties", and "fully distributed costs of handling traffic" and a "reasonable return on fair liquidation value" as those terms are used in this subsection.

(d) If an offer to purchase is made under this section such offer shall be accompanied by an offer of an operating subsidy in accordance with subsection (c) of this section, which operating subsidy shall continue until consummation of the purchase unless, by order or authorization of the Commission, a railroad assumes operations over such properties for its own account. When a railroad in reorganization gives notice of intent to discontinue service pursuant to the provisions of subsection (a) of this section, such railroad shall, upon request by anyone qualified to make a purchase offer pursuant to the provisions of subsection (c) of this section, promptly make available its most recent reports on the physical condition of such properties, and access to such traffic and revenue data as would be required under subpart B of part 1121 of chapter X of title 49 of the Code of Federal Regulations.

(e) If, after the rail system to be operated by the corporation under the final system plan shall have been in operation for two years, the Commission determines that service over any rail properties in such system is not required by the public convenience and necessity, the Commission may authorize the corporation to abandon any such rail properties. The Commission may determine at any time after the final system plan is effective either to authorize the abandonment of any rail properties not within the rail system of the corporation and not contemplated for abandonment under the final system plan or to authorize additional rail service in the region. Determinations made by the Commission under this section shall be made only in accordance with the applicable provisions of the Interstate Commerce Act.

SEC. 504. DISPOSITION OF ASSETS; CREDITORS' RIGHTS.—On and after the date that a railroad in reorganization is determined to be a bankrupt railroad under section 301, such bankrupt railroad may not, without author-

ization of the association, sell, lease, exchange, or otherwise dispose of its rail properties except in the ordinary course of business, and creditors of the bankrupt railroad shall have no continuing interest in, or rights against, the rail properties of the bankrupt railroad which are conveyed to the corporation but shall look only to the consideration distributed by the consolidated district court to the estate of such railroad in reorganization pursuant to this title.

TITLE VI—FINANCIAL ARRANGEMENTS

SEC. 601. OBLIGATIONS OF THE ASSOCIATION.—(a) To carry out the purposes of this Act, the association is authorized to issue and have outstanding at any one time obligations, having such maturities and bearing such rate or rates of interest as may be determined by the association, with the approval of the Secretary, to be redeemable at the option of the association before maturity in such manner as may be stipulated in such obligations; but the aggregate amount of obligations of the association outstanding at any one time shall not exceed $1,000,000,000. Of the aggregate amount of obligations issued by the association under this section, not less than $500,000,000 shall be available solely for the rehabilitation and modernization of rail properties acquired by the corporation under this Act, and not more than $200,000,000 shall be available for acquisition by the corporation under this Act of rail properties of railroads in reorganization. The association is authorized to purchase in the open market any of its obligations outstanding under this subsection at a price which the association finds to be reasonable.

(b) The Secretary shall guarantee any lender against loss of principal and interest on securities, obligations, or loans (including extensions or refinancings thereof) issued by the association under subsection (a) of this section.

(c) All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America backed by the full faith and credit of the Government of the United States of America.

(d) Any guarantee made by the Secretary under this section shall not be terminated, canceled, or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this title and of the approval and legality of the principal amount, interest rate, and all other terms of the securities, obligations, or loans, and of the guarantee; and shall be valid and incontestable in the hands of a holder of a guaranteed security obligation, or loan, except for fraud or material misrepresentation on the part of such holder.

(e) There are authorized to be appropriated to the Secretary such amounts, to remain available until expended, as are necessary to discharge all his responsibilities under this section.

(f) If at any time the moneys available to the Secretary are insufficient to enable him to discharge his responsibilities under guarantees issued by him under subsection (b) of this section, he shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations available under subsection (c) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

SEC. 602. FINANCIAL ASSISTANCE.—(a) For the purpose of providing financial assistance in accordance with section 202 of this Act, the association is authorized and directed to make loans on such terms and conditions as it may prescribe.

(b) Before making a loan under this section, the association shall find, in writing, that—

(1) the loan is necessary to carry out the final system plan or the purposes of this Act; and

(2) there is reasonable assurance that the business affairs of the loan recipient will be conducted in a prudent manner; and

(3) the loan recipient has pledged such security as the association deems necessary for the protection of the interest of the United States in guaranteeing obligations of the association.

(c) It is the intent of the Congress that loans made under this section shall be made on terms which furnish reasonable assurance that the loan recipient will be able to repay the loan within the time fixed and afford reasonable assurance that the goals of the final system plan or the purposes of this Act will be achieved.

SEC. 603. AUDIT OF ACCOUNTS OF ANY LOAN RECIPIENT.—The association is authorized to, and shall as necessary, inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of any loan recipient which has outstanding any obligation to repay a loan received under this Act, concerning any matter which may bear upon (1) the ability of the loan recipient to repay the loan within the time fixed therefor, (2) the use of the proceeds of the loan, and (3) the carrying out of the purposes of this Act.

SEC. 604. INTERIM OPERATING ARRANGEMENTS.—There is authorized to be appropriated to the Secretary not to exceed $85,000,000 for payment to trustees of bankrupt railroads of such sums as are necessary to insure the continued operation of transportation services by such railroads pending the acquisition of their rail properties pursuant to section 502 of this Act. Such payments shall be made through agreements between the Secretary and the trustees which shall provide that every reasonable effort shall be made to maintain and operate the railroad at its current level of service.

SEC. 605. AUTHORIZATION.—(a) There is authorized to be appropriated to the Secretary $10,000,000 for the purpose of meeting the necessary expenses incurred in organizing the corporation and meeting necessary planning and administrative expenses incurred in carrying out his functions under this Act.

(b) There is authorized to be appropriated to the association not to exceed $26,000,000 in fiscal 1974, to remain available until expended, for the purpose of meeting expenses of the association in carrying out its functions under this Act.

(c) There is authorized to be appropriated to the Commission not to exceed $500,000 for the purpose of meeting the expenses of the office of the Commission in carrying out its functions under this Act.

TITLE VII—FEDERAL ASSISTANCE FOR OPERATING SUBSIDIES AND PURCHASES

SEC. 701. SUBSIDY.—(a) The Secretary shall reimburse a State, or local or regional authority, for 70 per centum of the amount paid by such State, or by such local or regional authority, as operating subsidy (calculated as provided in section 503(c) of this Act) to continue service for a minimum of one year on rail properties where service would otherwise have been discontinued or abandoned pursuant to section 503 of this Act (except as provided in section 503(c) of this Act). Where a State, or local or regional authority, has made an offer to purchase the property of a railroad in reorganization pursuant to section 503(c) of this Act, the Secretary shall make available to the State, or local or regional authority, either a loan, or the guarantee of a loan, equal to 70 per centum of the amount paid by such State or local or regional authority as the purchase price (calculated and approved as provided in subsections (c) and (d) of section 503 of this Act) and equal to 70 per centum of such additional moneys paid by the purchaser as the Secretary may agree are necessary to restore or repair such rail properties to such condition as will enable railroad operations thereover at a speed of twenty-five miles per hour. Any such loan made or guaranteed by the Secretary shall have such maturity and bear such rate or rates of interest as shall be approved by the Secretary and may, at the discretion of the Secretary, be required to be secured by a first lien in favor of the United States upon the properties so purchased, restored, or repaired. In the event the Secretary determines to guarantee a loan pursuant to the provisions of this section, said guarantee shall be subject to the same requirements as set forth in subsections (b), (c), and (d) of section 601 of this Act. No loan, or guarantee of a loan, shall be made or continued in effect with respect to any State, or any local or regional authority, at the same time such State, or such local or regional authority, is receiving an operating subsidy under this section.

(b) Within three months after the date of enactment of this Act, the Secretary shall prescribe regulations governing the procedure for application by a State, or a local or regional authority, for reimbursement of operating subsidies, criteria to be used in deciding upon such applications, and terms and conditions required of all contracts or other arrangements for operating subsidy.

(c) If the Secretary finds that an operating subsidy contract or other arrangement as submitted fails to comply with his regulations, he shall advise the State, or the local or regional authority, and afford it a period of not to exceed fifteen days within which to bring such contract into conformity with such regulations.

(d) An operating subsidy contract between a State, or a local or regional authority, and the corporation or a railroad may not exceed a term of two years. At the end of such term a State, or a local or regional authority, may apply to the Secretary for continued reimbursement under the terms of a new contract. If a contract expires and a new contract is not made, the corporation or the railroad may abandon the line in accordance with section 503 of this Act.

(e) The Secretary shall not reimburse a State, or a local or regional authority, for operating subsidy paid to the corporation or a railroad unless requisite legislation has been adopted extending authority to the Governor or other appropriate State, local, or regional official or agency to perform its obligations in accordance with the terms of this Act and regulations issued by the Secretary.

(f) Upon approval of an operating subsidy contract or other arrangement by the Secretary, the United States shall become

obligated to pay out of sums not otherwise obligated in the general fund of the Treasury, an amount equal to 70 per centum of moneys paid to the corporation or a railroad pursuant to such contract or arrangement upon the receipt of proof satisfactory to him that the payment for which reimbursement is sought has been made by the State or a local or regional authority. Such payments shall be made to the States, or local or regional authorities, by the Secretary pursuant to regulations prescribed by him. The Secretary shall not be authorized under this section to obligate the United States for amounts in excess of $50,000,000 in any fiscal year.

SEC. 702. CAPITAL IMPROVEMENTS.—The initial costs of restoring or upgrading rail properties to such condition as is necessary for the provision of service may not be included in an operating subsidy contract or other arrangement. Such capital costs may be prorated over the life of such line or facilities and such prorated cost may be included as part of the cost of an operating subsidy contract or other arrangement.

TITLE VIII—EMPLOYEE PROTECTION

SEC. 801. DEFINITIONS.—For the purposes of this title—

(1) The term "acquiring railroad" means a railroad, except the corporation, which seeks to acquire or has acquired, pursuant to the provisions of this Act, all or a part of the rail properties of one or more of the railroads in reorganization, the corporation, or a profitable railroad.

(2) The term "employee of a railroad in reorganization" means a person who, on the effective date of a conveyance of rail properties of a railroad in reorganization to the corporation or to an acquiring railroad, has an employment relationship with either said railroad in reorganization or any carrier (as defined in parts I and II of the Interstate Commerce Act) which is leased, controlled, or operated by the railroad in reorganization except a president, vice president, treasurer, secretary, comptroller, and any other person who performs functions corresponding to those performed by the foregoing officers.

(3) The term "protected employee" means any employee of an acquiring railroad adversely affected by a transaction and any employees of a railroad in reorganization who on the effective date of this Act have not reached age sixty-five.

(4) The term "class or craft of employees" means a group of employees, recognized and treated as a unit for purposes of collective bargaining, which is represented by a labor organization that has been duly authorized or recognized pursuant to the Railway Labor Act as its representatives for purposes of collective bargaining.

(5) The term "representative of a class or craft of employees" means a labor organization which has been duly authorized or recognized as the collective bargaining representative of a class or craft of employees pursuant to the Railway Labor Act.

(6) The term "deprived of employment" means the inability of a protected employee to obtain a position by the normal exercise of his seniority rights with the corporation after properly electing to accept employment therewith or, the subsequent loss of a position and inability, by the normal exercise of his seniority rights under the applicable collective bargaining agreements, to obtain another position with the corporation: *Provided, however*, That provisions in existing collective bargaining agreements of a railroad in reorganization, which do not require a protected employee, in the normal exercise of seniority rights, to make a change in residence, in order to maintain his protection, will be preserved and will also be extended and be applicable to all other protected employees of that same craft or class. It shall not, however, include any deprivation of employment by reason of death, retirement, resignation, dismissal or disciplinary suspension for cause, failure to work due to illness or disability, nor any severance of employment covered by subsections (d) and (e) of section 805 of this title.

(7) The term "employee adversely affected with respect to his compensation" means a protected employee who suffers a reduction in compensation.

(8) The term "transaction" means actions taken pursuant to the provisions of this Act or the results thereof.

(9) The term "change in residence" means transfer to a work location which is located either (1) outside a radius of thirty miles of the employee's former work location and farther from his residence than was his former work location or (2) is located more than thirty normal highway route miles from his residence.

SEC. 802. EMPLOYMENT OFFERS.—(a) The corporation and the association shall be subject to the provisions of the Railway Labor Act and shall be considered employers for purposes of the Railroad Retirement Act, Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. The corporation, in addition, shall, except as otherwise specifically provided by this Act, be subject to all Federal and State laws and regulations applicable to carriers by railroad.

(b) The corporation shall offer employment to be effective as of the date of a conveyance or discontinuance of service under the provisions of this Act, to each employee of a railroad in reorganization who has not already accepted an offer of employment by the association or an acquiring railroad. Such offers of employment to employees represented by labor organizations will be confined to their same craft or class. The corporation shall apply to said employees the protective provisions of this title.

(c) The association shall offer employment to employees of a railroad in reorganization and shall apply to said employees the provisions of this title.

SEC. 803. ASSIGNMENT OF WORK.—The corporation shall have the right to assign, allocate, reassign, reallocate, and consolidate work formerly performed on the rail properties acquired pursuant to the provisions of this Act from a railroad in reorganization to any location, facility, or position on its system provided it does not remove said work from coverage of a collective-bargaining agreement and does not infringe upon the existing classification of work rights of any craft or class of employees at the location or facility to which said work is assigned, allocated, reassigned, reallocated, or consolidated and shall have the right to transfer to an acquiring railroad the work incident to the rail properties or facilities acquired by said acquiring railroad pursuant to this Act, subject however, to the provisions of section 808 of this title.

SEC. 804. COLLECTIVE-BARGAINING AGREEMENTS.—(a) Until completion of the agreements provided for under subsection (d) of this section, the corporation shall, as though an original party thereto, assume and apply on the particular lines, properties, or facilities acquired all obligations under existing collective-bargaining agreements covering all crafts and classes employed thereon, except that the Agreement of May, 1936, Washington, D.C. and provisions in other existing job stabilization agreements shall not be applicable to transactions effected pursuant to this Act with respect to which the provisions of section 805 shall be superseding and controlling. During this period, employees of a railroad in reorganization who have seniority on the lines, properties, or facilities acquired by the corporation pursuant to this Act shall have prior seniority roster rights on such acquired lines, properties, or facilities.

(b) On or before the date of the adoption of the final system plan by the board of directors of the association as provided in title III of this Act, the representatives of the various classes or crafts of the employees of a railroad in reorganization involved in a conveyance pursuant to this Act and representatives of the corporation shall commence negotiation of a single implementing agreement for each class and craft of employees affected providing (1) the identification of the specific employees of the railroad in reorganization to whom the corporation offers employment; (2) the procedure by which those employees of the railroad in reorganization may elect to accept employment with the corporation; (3) the procedure for acceptance of such employees into the corporation's employment and their assignment to positions on the corporation's system; (4) the procedure for determining the seniority of such employees in their respective crafts or classes on the corporation's system which shall, to the extent possible, preserve their prior seniority rights; and (5) the procedure for determining equitable adjustment in rates of comparable positions. If no agreement with respect to the matters referred to in this subsection is reached by the end of thirty days after the commencement of negotiations, the parties shall within an additional ten days select a neutral referee and, in the event they are unable to agree upon the selection of such referee, then the National Mediation Board shall immediately appoint a referee. After a referee has been designated, a hearing on the dispute shall commence as soon as practicable. Not less than ten days prior to the effective date of any conveyance pursuant to the provisions of this Act, the referee shall resolve and decide all matters in dispute with respect to the negotiation of said implementing agreement or agreements and shall render a decision which shall be final and binding and shall constitute the implementing agreement or agreements between the parties with respect to the transaction involved. The salary and expenses of the referee shall be paid pursuant to the provisions of the Railway Labor Act.

(c) Notwithstanding failure for any reason to complete implementing agreements provided for in subsection (b) of this section, the corporation may proceed with a conveyance of properties, facilities, and equipment pursuant to the provisions of this Act and effectuate said transaction: *Provided*, That all protected employees shall be entitled to all of the provisions of such agreements, as finally determined, from the time they are adversely affected as a result of any such conveyance.

(d) No later than sixty days after the effective date of any conveyance pursuant to the provisions of this Act, the representatives of the various classes or crafts of the employees of a railroad in reorganization involved in a conveyance and representatives of the corporation shall commence negotiations of new collective bargaining agreements for each class and craft of employees covering the rates of pay, rules, and working conditions of employees who are employees of the corporation, which collective bargaining agreements shall include appropriate provisions concerning rates of pay, rules, and working conditions but shall not include any provisions for job stabilization resulting from any transaction effected pursuant to this Act which may exceed or conflict with those established or prescribed herein.

SEC. 805. EMPLOYEE PROTECTION.—(a) A protected employee whose employment is governed by a collective bargaining agreement will not, except as explicitly provided in this title, during the period in which he is entitled to protection, be placed in a worse position with respect to compensation, fringe benefits, rules, working conditions, and rights and privileges pertaining thereto.

(b) A protected employee, who has been deprived of employment or adversely affected with respect to his compensation shall be entitled to a monthly displacement allowance computed as follows:

(1) Said allowance shall be determined by computing the total compensation received by the employee, including vacation allowances and monthly compensation guarantees, and his total time paid for during the last twelve months immediately prior to his being adversely affected in which he performed compensated service more than 50 per centum of each of such months, based upon his normal work schedule, and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and average monthly time paid for; and, if an employee's compensation in his current position is less in any month in which he performs work than the aforesaid average compensation, he shall be paid the difference, less any time lost on account of voluntary absences other than vacations, but said protected employee shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of his average monthly time: *Provided, however*, That—

(A) in determining compensation in his current employment the protected employee shall be treated as occupying the position, producing the highest rate of pay to which his qualifications and seniority entitles him under the applicable collective bargaining agreement and which does not require a change in residence;

(B) the said monthly displacement allowance shall be reduced by the full amount of any unemployment compensation benefits received by the protected employee and shall be reduced by an amount equivalent to any earnings of said protected employee in any employment subject to the Railroad Retirement Act and 50 per centum of any earnings in any employment not subject to the Railroad Retirement Act;

(C) a protected employee's average monthly compensation shall be adjusted from time to time thereafter to reflect subsequent general wage increases;

(D) should a protected employee's service total less than twelve months in which he performs more than 50 per centum compensated service based upon his normal work schedule in each of said months, his average monthly compensation shall be determined by dividing separately the total compensation received by the employee and the total time for which he was paid by the number of months in which he performed more than 50 per centum compensated service based upon his normal work schedule; and

(E) the monthly displacement allowance provided by this section shall in no event exceed the sum of $2,500 in any month except that such amount shall be adjusted to reflect subsequent general wage increases: *Provided*, That, notwithstanding any other provision of this section, no managerial or executive employee of the corporation shall be paid any displacement allowance in excess of $1,660 per month.

(2) A protected employee's average monthly compensation under this section shall be based upon the rate of pay applicable to his employment and shall include increases in rates of pay not in fact paid but which were provided for in national railroad labor agreements generally applicable during the period involved.

(3) If a protected employee who is entitled to a monthly displacement allowance served as an agent of a representative of a craft or class of employees on either a full or part-time basis in the twelve months immediately preceding his being adversely affected, his monthly displacement allowance shall be computed by taking the average of the average monthly compensation and average monthly time paid for of the protected employees immediately above and below him on the same seniority roster or his own monthly displacement allowance, whichever is greater.

(4) An employee and his representative shall be furnished with a protected employee's average monthly compensation and average monthly time paid for, computed in accordance with the terms of this subsection, together with the date upon which such computations are based, within thirty days after the protected employee notifies the corporation in writing that he has been deprived of employment or adversely affected with respect to his compensation.

(c) The monthly displacement allowance provided for in subsection (b) of this section shall continue until the attainment of age sixty-five by a protected employee with five or more years of service on the effective date of this Act and, in the case of a protected employee who has less than five years service on such date, shall continue for a period equal to his total prior years of service: *Provided*, That such monthly displacement allowance shall terminate upon the protected employee's death, retirement, resignation, or dismissal for cause; and shall be suspended for the period of disciplinary suspension for cause, failure to work due to illness or disability, voluntary furlough, or failure to retain or obtain a position available to him by the exercise of his seniority rights in accordance with the provisions of this section.

(d) (1) A protected employee who had been deprived of employment may be required by the corporation, in inverse seniority order and upon reasonable notice, to transfer to any bona fide vacancy for which he is qualified in his same craft or class on any part of the corporation's system and shall then be governed by the collective bargaining agreement applicable on the seniority district to which transferred. If such transfer requires a change in residence, any such protected employee may choose (A) to voluntarily furlough himself at his home location and have his monthly displacement allowance suspended during the period of voluntary furlough, or (B) to be severed from employment upon payment to him of a separation allowance computed as provided in subsections (e) and (f) of this section, which separation allowance shall be in lieu of all other benefits providing by this title.

(2) Such protected employee shall not be required to transfer to a location requiring a change in residence unless there is a bona fide need for his services at such location. Such bona fide need for services contemplates that the transfer be to a position which has not and cannot be filled by employees who are not required to make a change in residence in the seniority district involved and which, in the absence of this section, would have required the employment of a new employee.

(3) Such protected employee who, at the request of the corporation, has once accepted and made a transfer to a location requiring a change in residence, shall not be required again to so transfer for a period of three years.

(4) Transfers to vacancies requiring a change in residence shall be subject to the following:

(A) The vacancy shall be first offered to the junior qualified protected employee deprived of employment in the seniority district where the vacancy exists, and each such employee shall have twenty days to elect one of the options set forth in paragraph (1) of this subsection. If that employee elects not to accept the transfer, it will then be offered in inverse seniority order to the remaining qualified, protected employees deprived of employment on the seniority district, who will each have twenty days to elect one of the options set forth in paragraph (1) of this subsection.

(B) If the vacancy is not filled by the procedure in paragraph (4) (A) of this subsection, the vacancy will then be offered in the inverse order of seniority to the qualified, protected employees deprived of employment on the system and each of such employees will be afforded thirty days to elect one of the options set forth in paragraph (1) of this subsection.

(C) The provisions of this paragraph (4) shall not prevent the adoption of other procedures pursuant to an agreement made by the corporation and representative of the class or craft of employees involved.

(e) A protected employee who is tendered and accepts an offer by the corporation to resign and sever his employment relationship in consideration of payment to him of a separation allowance, and any protected employee whose employment relationship is severed in accordance with subsection (d) of this section, shall be entitled to receive a lump-sum separation allowance not to exceed $20,000 in lieu of all other benefits provided by this title. Said lump-sum separation allowance, in the case of a protected employee who had not less than three nor more than five years of service as of the date of this Act, shall amount to two hundred and seventy days' pay at the rate of the position last held and, in the case of a protected employee having had five or more years' service, shall amount to the number of day's pay indicated below at the rate of the position last held dependent upon the age of the protected employee at the time of such termination of employment:

60 or under	360 days' pay
61	300 days' pay
62	240 days' pay
63	180 days' pay
64	120 days' pay

(f) The corporation may terminate the employment of an employee of a railroad in reorganization, who has less than three years' service as of the effective date of this Act: Provided, however, That in such event the terminated employee shall be entitled to receive a lump sum separation allowance in an amount determined as follows:

2 to 3 years' service—180 days' pay at the rate of the position last held.

1 to 2 years' service—90 days' pay at the rate of the position last held.

Less than 1 year's service—5 days' pay at the rate of the position last held for each month of service.

(g) Any protected employee who is required to make a change of residence as the result of a transaction shall be entitled to the following benefits:

(1) Reimbursement for all expenses of moving his household and other personal effects, for the traveling expense of himself and members of his family, including living expenses for himself and his family, and for his own actual wage loss, not to exceed ten working days: Provided, That the corporation or acquiring railroad shall, to the same extent provided above, assume said expenses for any employee furloughed within three years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provisions of this section unless such claim is presented to the corporation or acquiring railroad within ninety days after the date on which the expenses were incurred.

(2) (A) (i) If the protected employee owns, or is under a contract to purchase, his own home in the locality from which he is required to move and elects to sell said home, he shall be reimbursed for any loss suffered in the sale of his home for less than its fair market value. In each case the fair market value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The corporation shall in each instance be afforded an opportunity to pur-

chase the home at such fair market value before it is sold by the employee to any other person.

(ii) A protected employee may elect to waive the provisions of paragraph (2)(A)(i) above, and receive, in lieu thereof, an amount equal to his closing costs which are ordinarily paid for and assumed by a seller of real estate in the jurisdiction in which the residence is located. Such costs shall include a real estate commission paid to a licensed realtor (not to exceed $3,000 or 6 per centum of sale price, whichever is less), and any prepayment penalty required by the institution holding the mortgage; such costs shall not include the payment of any "points" by the seller.

(B) If the protected employee holds an unexpired lease on a dwelling occupied by him as his home, he shall be protected from all loss and cost in securing the cancellation of said lease.

(C) No claim for costs or loss shall be paid under the provisions of this paragraph (2) unless such claim is presented to the corporation within ninety days after such costs or loss are incurred.

(D) Should a controversy arise with respect to the value of the home, the costs or loss sustained in its sale, the costs or loss under a contract for purchase, loss or cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or his representative, and the corporation. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, elected in the following manner: One to be selected by the employee or his representative and one by the corporation, and these two, if unable to agree upon a valuation within thirty days, shall endeavor by agreement within ten days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and, failing such agreement, either party may request the National Mediation Board to designate within ten days a third qualified real estate appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

(h) Should a railroad rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving a protected employee of benefits to which he otherwise would have become entitled under this title, the provisions of this title will apply to such employee.

SEC. 806. CONTRACTING OUT.—All work in connection with the operation or services provided by the corporation on the rail lines, properties, equipment, or facilities acquired pursuant to the provisions of this Act and the maintenance, repair, rehabilitation, or modernization of such lines, properties, equipment, or facilities which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the class or craft involved shall continue to be performed by said corporation's employees, including employees on furlough. Should the corporation lack a sufficient number of employees, including employees on furlough, and is unable to hire additional employees, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees including those on furlough, except where agreement by the representatives of the employees of the class or craft involved is required by applicable collective bargaining agreements. The term "unable to hire additional employees" as used in this section contemplates establishment and maintenance by the corporation of an apprenticeship, training, or recruitment program to provide an adequate number of skilled employees to perform the work.

SEC. 807. ARBITRATION.—Any dispute or controversy with respect to the interpretation, application, or enforcement of the provsions of this title, except section 804(d) and those disputes or controversies provided for in subsection (g)(2)(D) of section 805 and subsection (b) of section 804 which have not been resolved within ninety days, may be submitted by either party to an Adjustment Board for a final and binding decision thereon as provided in section 3. Second, of the Railway Labor Act, in which event the burden of proof on all issues so presented shall be upon the corporation or association.

SEC. 808. ACQUIRING RAILROADS.—An acquiring railroad shall offer such employment and afford such employment protection to employees of a railroad from which it acquires properties or facilities pursuant to this Act, and shall further protect its own employees who are adversely affected by such acquisition, as shall be agreed upon between the said acquiring railroad and the representatives of such employees prior to said acquisition: *Provided, however,* That the protection and benefits provided for protected employees in such agreements shall be the same as those specified in section 805 of this title: *And provided further, however,* That unless and until such agreements are reached, the acquiring railroad shall not enter into purchase agreements pursuant to section 303 of this Act.

SEC. 809. PAYMENT OF BENEFITS.—The corporation, association, and acquiring railroads, as the case may be, shall be responsible for the actual payment of all allowances, expenses, and costs, provided protected employees pursuant to the provisions of this title. The corporation, association, and acquiring railroads shall then be reimbursed for such actual amounts paid protected employees pursuant to the provisons of this title by the Railroad Retirement Board upon certification to said Board by the corporation, associaton, and acquiring railroads of the amounts paid such employees. Such reimbursement shall be made from a separate account maintained in the Treasury of the United States to be known as the Regional Rail Transportation Protective Account. There is hereby authorized to be appropriated to such protective account annually such sums as may be required to meet the obligations payable hereunder, not to exceed in the aggregate, however, the sum of $250,000,000. There is further authorized to be appropriated to the Railroad Retirement Board annually such sums as may be necessary to provide for additional administrative expenses to be incurred by the Board in the performance of its functions under this section.

TITLE IX—MISCELLANEOUS PROVISIONS

SEC. 901. APPLICATION OF LAWS.—In formulating and implementing the final system plan, the association, the corporation, and any railroad affected thereby shall be relieved of all prohibitions under the antitrust laws of the United States or of any State or subdivision thereof. The Interstate Commerce Act and the Bankruptcy Act, to the extent necessary to carry out this Act, and the National Environmental Policy Act of 1969 shall not apply to any transaction under this Act.

SEC. 902. EFFECT ON PENDING PROCEEDINGS.—Upon enactment of this Act, no railroad in reorganization may discontinue any rail service or abandon any rail line other than in accordance with the provisions of this Act, notwithstanding the provision of any other Act, the law or constitution of any State, or the decision or order of, or the pendency of any proceeding before, any Federal or State court, agency, or authority.

SEC. 903. RECORDS AND AUDIT OF THE ASSOCIATION, THE CORPORATION AND CERTAIN RAILROADS.—(a)(1) The accounts of the association and of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the association or the corporation are normally kept. All books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the association or the corporation and necessary to facilitate the audit shall be made available to the person conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, financial agents, and custodians shall be afforded to such person.

(2) The report of each such independent audit shall be included in the annual report required by subsection (a) of section 904. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities and surplus or deficit of the association or the corporation, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the income and expenses of the association or the corporation during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(b)(1) The financial transactions of the association may be audited by the Comptroller General of the United States under such rules and regulations as he may prescribe. The financial transactions of the corporation for any fiscal year during which Federal financial assistance is used to finance any portion of its operations, and the financial transactions of any railroad which has outstanding any obligation to repay a loan received under this Act, may be audited by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at the place or places where accounts of the association, the corporation, or the railroad are normally kept. The representative of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the association, the corporation, or the railroad pertaining to its financial transactions and necessary to facilitate the audit, and shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the association, the corporation, or the railroad shall remain in possession and custody of the association, the corporation, or the railroad.

(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform Congress of the financial operations and condition of the association, the corporation, or the railroad, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or

made without authority of law. A copy of each report shall be furnished to the President, to the Secretary, and to the association or the corporation, and to the railroad, at the time submitted to the Congress.

SEC. 904. REPORTS.—(a) The association and the corporation each shall transmit to the President and Congress, within ninety days after the end of its fiscal year, a comprehensive and detailed report of its activities and attainments during the preceding fiscal year.

(b) The Secretary shall transmit to Congress in March of each year a comprehensive report on the effectiveness of the association and the corporation in implementing the purposes of this Act, together with any recommendations for additional legislation or other action. In carrying out the provisions of this subsection, the Secretary may use available services and facilities of other departments, agencies, and instrumentalities of the Federal Government with their consent and on a reimbursable basis.

SEC. 905. EXEMPTION FROM TAXATION.—The association, including its franchise, capital reserves, surplus, security holdings, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 906. PROHIBITION AGAINST USE OF NAME.—No individual, association, partnership, or corporation, except the association created under this Act, shall hereafter use the words "Federal National Railway Association" as the name under which he or it shall do business. Violations of the foregoing may be enjoined by any court of general jurisdiction at the suit of the association. In any suit, the association may recover any actual damages flowing from such violation, and, in addition, shall be entitled to punitive damages (regardless of the existence or nonexistence of actual damage) of not exceeding $100 for each day during which such violation was committed.

SEC. 907. INVESTMENT OF FUNDS.—Uncommitted moneys of the association shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other investments which are lawful investments for fiduciary, trust, or public funds.

SEC. 908. SEPARABILITY OF PROVISIONS.—If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 909. RULES AND REGULATIONS.—The association shall issue such rules and regulations as are necessary to carry out the authority granted by this Act.

SEC. 910. OBLIGATIONS OR OTHER INSTRUMENTS AS LAWFUL INVESTMENTS; ACCEPTANCE AS SECURITY; EXEMPT SECURITIES.—All obligations or other instruments issued by the association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers hereof. All obligations, securities, or other instruments issued pursuant to this Act (other than those issued by the corporation) shall be exempt securities within the meaning of laws administered by the Securities and Exchange Commission.

SEC. 911. AMENDMENTS TO SECURITIES ACTS.—(a)(1) Section 3(a)(6) of the Securities Act of 1933 is amended to read as follows:

"(6) Any security issued by a motor carrier the issuance of which is subject to the provisions of section 214 of the Interstate Commerce Act;".

(2) The second sentence of section 19(a) of such Act is amended by striking out "; but insofar as they relate to any common carrier subject to the provisions of section 20 of the Interstate Commerce Act, as amended, the rules and regulations of the Commission with respect to accounts shall not be inconsistent with the requirements imposed by the Interstate Commerce Commission under authority of such section 20".

(3) The second sentence of section 214 of the Interstate Commerce Act is amended by striking out the first proviso.

(b) Section 13(b) of the Securities Exchange Act of 1934 is amended by striking out ", and, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act" and all that follows in such subsection, and inserting in lieu thereof "(except that such rules and regulations of the Commission may be inconsistent with such requirements to the extent that the Commission determines that the public interest or the protection of investors so requires).".

(c) Section 3(c)(7) of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(7) Any company (A) which is subject to regulation under section 214 of the Interstate Commerce Act: *Provided*, That this exception shall not apply to a company which the Commission finds and by order declares to be primarily engaged, directly or indirectly, in the business of investing, reinvesting, owning, holding, or trading in securities; or (B) whose entire outstanding stock is owned or controlled by a company excepted under clause (A) hereof: *Provided*, That the assets of the controlled company consist substantially of securities issued by companies which are subject to regulation under section 214 of the Interstate Commerce Act.".

(d)(1) The amendments made by subsection (a) of this section shall take effect on the sixtieth day after the date of enactment of this Act, but shall not apply with respect to any security which was bona fide, offered to the public by the issuer or by or through an underwriter before such sixtieth day.

(2) The amendment made by subsection (c) of this section shall not apply to any report by any person respecting a fiscal year of such person which began before the date of enactment of this Act

(3) The amendment made by subsection (c) of this section shall take effect on the sixtieth day after the date of enactment of this Act.

SEC. 912. RAIL TRANSPORTATION OF EXPLOSIVES.—In the exercise of his authority to regulate the transportation of explosives and other dangerous articles under chapter 39 of title 18, United States Code, the Secretary of Transportation shall, as soon as practicable after the date of enactment of this Act, issue regulations governing the rail transportation of explosives requiring—

(1) the use of railroad cars with roller bearings and with either composition brake shoes or spark shields;

(2) the placement of at least one spacer car not containing materials regulated under chapter 39 of such title 18 between cars containing explosives en route between origin and destination in rail transportation service; and

(3) inspection of railroad car selection, and of the loading of each such car, to be used in the rail transportation of explosives and the periodic inspection of each such car en route between origin and destination in rail transportation service.

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

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

There was no objection.

AMENDMENT OFFERED BY MR. KUYKENDALL

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

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 55, strike out lines 5 through 25 and insert in lieu thereof the following:

(5) The term "fair and equitable value" means, with reference to the rail properties of a railroad in reorganization which are to be acquired by the corporation, by a nonbankrupt railroad, or by a profitable railroad and operated in accordance with the final system plan, either the fair liquidation value or going concern value thereof as of September 30, 1973, as provided in the final system plan, except that in no event shall such rail properties be valued at more than the constitutional minimum required for their acquisition. For the purposes of this paragraph, fair liquidation value is the best price that the then existing market could fairly be expected to provide for the sale of such rail properties over a reasonable period of time less the economic costs and expenses incident to holding and maintaining such properties over such time and to their disposition and less a reasonable discount for delay in receipt of proceeds over such time; and going concern value is the capitalized value of the earning power of such properties projected over a reasonable period of time, giving due consideration to the effect and cost of implementation of the final system plan.

Mr. KUYKENDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the RECORD, because I am only changing one sentence on page 55 of the bill, lines 14 and 15.

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

There was no objection.

Mr. KUYKENDALL. Mr. Chairman, on lines 14 and 15 I wish to strike, "Taking into consideration the public interest character of such properties."

I wish to strike that language only.

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

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

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

[Roll No. 569]

Anderson, Ill.	Evins, Tenn.	Mitchell, Md.
Andrews, N.C.	Fraser	Murphy, Ill.
Bell	Gray	Nedzi
Biester	Green, Oreg.	Nelsen
Blackburn	Hammer-	O'Hara
Blatnik	schmidt	Patman
Breckinridge	Hansen, Wash.	Rees
Brown, Ohio	Harsha	Reid
Buchanan	Harvey	Robison, N.Y.
Burgener	Hébert	Rooney, N.Y.
Burke, Calif.	Hillis	Rose
Burke, Fla.	Holifield	Roush
Clark	Ichord	Runnels
Clay	Jones, Tenn.	Ruppe
Cochran	Landgrebe	Sandman
Conyers	Mahon	Seiberling
Davis, Wis.	Mathis, Ga.	Steed
de la Garza	Meeds	Steele
Diggs	Melcher	Teague, Tex.
Drinan	Mills, Ark.	Vanik
Dulski	Minshall, Ohio	Wright

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9142, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 371 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The committee resumed its sitting.

The CHAIRMAN. When the Committee suspended for the quorum call the gentleman from Tennessee (Mr. KUYKENDALL) had requested that the amendment he had offered be considered as read and printed in the RECORD, and the gentleman had been recognized in support of his amendment.

The Chair now recognizes the gentleman from Tennessee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Chairman, it will be recalled that when I offered my amendment I said that I was only changing one sentence on page 55 of the bill, striking lines 14 and 15. I would like the Chairman of the full Committee, the gentleman from West Virginia (Mr. STAGGERS) to comment on my amendment.

Mr. STAGGERS. Mr. Chairman, if the gentleman will yield, I will say that we on this side have no objection to the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SKUBITZ

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

The Clerk read as follows:

Amendment offered by Mr. SKUBITZ: Page 107, line 24, After "thereto." "No payments or allowances under this Title shall continue for any protected employee beyond six years from the date of conveyance of rail properties under Section 502 of this Act; provided that not withstanding the provisions of the Railroad Retirement Act or any other provision of law a protected employee shall, if placed in furloughed status following the expiration of the protective payments or allowances under this Title, have his contributions to the Railroad Retirement Account and the matching employer's contributions to the Account continued during the period in which he is furloughed, at the same rate of contribution as that of the preceding twelve months, such contributions to be made by the Corporation or other acquiring railroad with whom the employee has an employment relationship; and, provided further, that Railroad Retirement benefits thus accrued shall be paid such protected employee, and/or his designated beneficiaries, in the same manner and under the same conditions as paid all with vested rights under the Railroad Retirement Act.

Mr. SKUBITZ. Mr. Chairman, this measure provides that any person who is furloughed by the railroads, and has 5 years of service, is considered a protected worker. If that worker is not given another job on the railroad, then he is guaranteed a wage, his regular wage based on a 12-month period for the rest of his life. Now the Members have been told that we are going to take care of more of the employees. Then ask the question: If this is true, why have we placed a proviso in this bill of $250 million to take care of such displacement?

My amendment provides that after 6 years the unearned salary will be discontinued. Why 6 years?

Because that is the period we used in the legislation creating Amtrak. We agreed to pay employees who were placed on furlough for 6 years. At the end of the 6-year period, the corporation is required to continue payments into the retirement fund so that at retirement such employees are protected. They are entitled to that. Their pension is something that they have bargained for. It is a fringe benefit.

So under this act what we would do is simply say that at the end of 6 years these unearned salary payments are cut off, and the corporation at that time will pick up only the retirement payments, and notwithstanding any other proviso of the act, these men will receive their retirement pay.

I stated in my opening remarks, that I too feel that men who have given a lifetime to their craft—men who have been entrusted with the lives of passengers and the movement of freight should not be thrown on the unemployment scrap heap.

Certainly if a viable road entered into a merger and agreed to pay a lifetime wage I have no objection. But here we are dealing with five bankrupt railroads. The Government is to pick up the chip? To write into law conditions providing for lifetime unearned salaries is to renege on congressional responsibility. We establish a dangerous precedent. If we are willing to do this for railroad labor, Can we do less for a Federal employee who loses his job?

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

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

Mr. GROSS. Mr. Chairman, does this amendment cover both blue collar workers and management that may be furloughed?

Mr. SKUBITZ. My amendment takes care of them for up to 6 years.

Mr. GROSS. Does this cover management or track walkers or what?

Mr. SKUBITZ. It covers only the protected employees, that is the workers themselves.

Mr. GROSS. Then is provision made in the bill for executives?

Mr. SKUBITZ. There is a proviso in there that the executives will get up to $20,000 a year. I presume someone else will be offering an amendment on that.

Mr. GROSS. I would hope so.

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

First I would like to say that this arrangement—and I have been before this House many times on railroad matters—was worked out by a committee of the railroad associations and labor and they have worked out three or four or five others recently which without those arrangements could have caused a strike. There was almost a strike on the Penn Central even in their current bankruptcy which would have caused this Nation to suffer billions of dollars in losses.

I would like to read briefly a letter from the president of the Association of Railroads and this is to Claude Brinnager, Secretary of Transportation:

In response to your telegram which we received on October 6 the labor protective provisions proposed in title VIII of the bill H.R. 9142 were submitted to our board of directors for their information on September 28. Since then I have heard from 14 railroad presidents. I conclude tha' these provisions are in line with the provisions that appear in recent merger agreements and are as satisfactory from the management point of view as could be hoped for.

Under the Washington agreements of 1936 when the mergers were made they took care of every employee. This is a fact which should be taken into consideration now. These are a little different arrangements now than were made then. This only protects the ones who are employed now. Any other new employees have to be taken care of under other arrangements. The bill arranges for labor negotiations between the corporation and labor in a period of 60 days after date of enactment. I do not know what the time limit is, but they are going into negotiations to implement these agreements.

There are few railroad workers outside of management that I know of in America who makes $20,000 or $25,000 a year. There may be a few but they must be very few. Those men are reaching near the age of 65. There are 14,000 men who will be laid off very soon after this goes into operation through the natural attrition in the Northeast railroads. Any man who comes on afterwards will be offered a job but he will not be under this protection but under another plan.

I think this is necessary. This is an arrangement freely negotiated between labor and management. I think it is fair. I say to you if we do not do this—and I do not believe it will cost anywhere near the amount of money we have authorized—we would endanger the railroad management and the labor contract as they have it. We could have a strike which would cost billions of dollars and not just $100 million or $250 million. I say we have got railroad management and labor working together now for once in history and they have worked out several recent agreements that have been good. They have worked out the railroad pension plan which I know we could not have worked out on this floor. They have worked out several of the plans in which they gave additional help to labor after several years of employment.

I say to tinker with this at all would be to endanger the whole bill. I say those who would be benefited by the change are so few it would be inconsequential and this amendment ought to be defeated.

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

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

Mr. GROSS. Mr. Chairman, the gentleman is not suggesting or threaten-

ing the House with a railroad strike if an amendment curing a bad situation is adopted, is he?

Mr. STAGGERS. No, this gentleman would not do that and I do not know and the gentleman does not know about a strike, but I think we ought to look ahead a little bit. We have been trying to patch things up and the time has come to look ahead in this Congress and in this Nation. We need leaders that will not wait for a crisis to happen. Let us take care of the problems before they occur.

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

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

Mr. GROSS. The gentleman spoke of a meeting of the American Association of Railroads.

Mr. STAGGERS. That is right.

Mr. GROSS. And I suppose there were representatives of the brotherhoods, is that correct?

Mr. STAGGERS. Yes, that is correct.

Mr. GROSS. All right. Was the third party, the huge third party in interest, represented in these negotiations; the taxpayers who will pay the bill for this?

Mr. STAGGERS. Let me say to the gentleman, our committee of 43 members listened to every bit of it and went over it and I think they represent the people of America. That is a tenth of the Members of this House that are on this committee.

Mr. GROSS. But you are not a representative of the Association of American Railroads or of the Brotherhoods?

Mr. STAGGERS. No; of course, I am not.

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

I want to say that the committee put limitations on the amount of taxpayer involvement. This was a figure that was indicated as acceptable to the administration. They indicated these were social costs that should be paid. There are no executive officers, such as a president or a vice president covered under the bill.

I hope that the amendment will be defeated.

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

Mr. Chairman, I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I would like to ask the chairman of the committee a few questions. Did the committee at any time hold hearings on the labor agreement?

Mr. STAGGERS. There were no public hearings at all before they were placed before the committee. There were copies available and every man had an opportunity to read it over. The committee did not have time to be pertinent with all of it.

Mr. SKUBITZ. There were no hearings on it?

Mr. STAGGERS. We could not have hearings.

Mr. SKUBITZ. We could very well have many meetings to discuss the title at length.

Mr. STAGGERS. I will agree with the gentleman. I think the gentleman from Kansas wants to be fair with labor, as I do, and with every other segment of society. This is an agreement between management and labor and as the gentleman knows, they have been holding these meetings continuously in the last few years and it was done because our committee asked them to do it. Since they have been doing it, we have not had the labor troubles we had before.

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

Mr. GROSS. I yield to the gentleman.

Mr. SKUBITZ. May I say to my chairman, it is very easy for two groups to get together and make an agreement so long as someone else must foot the bill. In this case, Mr. Taxpayer, the point Mr. GROSS made.

If the costs of this title of the bill are minimal, why did the committee authorize $250 million in the bill? What I am trying to do is to save the taxpayers some money and give to the furloughed workers the same benefits as are given to furloughed workers under the Amtrak bill. To guarantee the employee his rights under the Railroad Retirement Act. What could be fairer than that.

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

Mr. GROSS. Yes, I yield to the gentleman.

Mr. STAGGERS. You are comparing this with Amtrak and it is entirely erroneous. You are making a comparison that you did not mean to make. They are hired completely under a different arrangement.

I would like to say in setting the amount of money, the administration agreed that the $250 million would take care of the situation and we put that in. I think it is way outside the limit. I do not think all of the amount of that money would be touched.

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

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

Mr. SKUBITZ. My colleague has stated the period of payment of unearned salary was different on the Amtrak question, I would like to read from the report of the National Railway Passenger Company, Amtrak, covering the period from October 30, 1970, to October 29, 1971, on page 2:

> Protecting period means that period of time during which a displaced or dismissed employee is to be provided protection either under and extending from the date on which an employee is displaced or dismissed to the expiration of six years therefrom.

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

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would like to say that I think the gentleman understands that these men lose their jobs. They have no one to talk to.

Mr. GROSS. Mr. Chairman, where do those who lose their jobs go in other corporations?

Mr. STAGGERS. They go to their corporation and to the different groups that they have to go to, but these men are left out in the cold.

Mr. GROSS. They look for another job, don't they?

Mr. STAGGERS. That is right, but if they are 55 or 58 years old, they cannot find another job.

Mr. GROSS. That is true of those who lose their jobs in other corporations. They are not assured as are furloughed employees under this bill of annual incomes of $20,000 to $30,000 a year.

Mr. Chairman. I find the compensation provisions of this bill utterly unbelievable in view of the fact that the taxpayers will be footing the bills.

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

Mr. GROSS. Yes, I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, my colleague from West Virginia is leaving the impression that the furlough worker will be out in the cold. That is not correct. This amendment gives such employees protection; it gives them their unearned salary for 6 years. It takes care of their retirement program. That is what the amendment does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. SKUBITZ).

The question was taken; and on a division (demanded by Mr. SKUBITZ) there were—ayes 52; noes 113.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 245, not voting 40, as follows:

[Roll No. 570]

AYES—148

Abdnor	Fountain	Pritchard
Andrews, N.C.	Frelinghuysen	Quie
Archer	Frey	Rarick
Arends	Froehlich	Rhodes
Armstrong	Fuqua	Robinson, Va.
Ashbrook	Gettys	Robison, N.Y.
Bafalis	Ginn	Roncalio, Wyo.
Baker	Goodling	Rousselot
Beard	Gross	Runnels
Bennett	Gunter	Ruppe
Bowen	Hanrahan	Ruth
Brinkley	Hinshaw	Sandman
Broomfield	Hogan	Satterfield
Brown, Mich.	Hosmer	Scherle
Broyhill, N.C.	Huber	Schneebeli
Broyhill, Va.	Hudnut	Sebelius
Burleson, Tex.	Hunt	Shriver
Burlison, Mo.	Hutchinson	Skubitz
Butler	Ichord	Spence
Camp	Jarman	Stanton,
Carter	Johnson, Colo.	J. William
Cederberg	Johnson, Pa.	Steiger, Ariz.
Chamberlain	Jones, N.C.	Stephens
Chappell	Jones, Okla.	Symms
Clancy	Ketchum	Talcott
Clawson, Del	King	Taylor, Mo.
Cochran	Landgrebe	Taylor, N.C.
Collins, Tex.	Latta	Teague, Calif.
Conable	Litton	Thomson, Wis.
Conlan	Lott	Treen
Crane	Lujan	Ullman
Daniel, Dan	McEwen	Vander Jagt
Daniel, Robert W., Jr.	McSpadden	Veysey
	Mallary	Waggonner
Dellenback	Mann	Wampler
Dennis	Martin, Nebr.	Ware
Derwinski	Martin, N.C.	White
Devine	Mathias, Calif.	Whitehurst
Dickinson	Mathis, Ga.	Whitten
Downing	Mayne	Wiggins
Duncan	Michel	Winn
Edwards, Ala.	Milford	Wydler
Erlenborn	Mizell	Wylie
Esch	Montgomery	Young, Alaska
Eshleman	Moorhead, Calif.	Young, Fla.
Findley	Nelsen	Young, Ill.
Fisher	Nichols	Young, S.C.
Flowers	Parris	Zion
Flynt	Powell, Ohio	Zwach
Ford, Gerald R.	Price, Tex.	
Forsythe		

NOES—245

Abzug	Gonzalez	Perkins
Adams	Grasso	Pettis
Addabbo	Green, Oreg.	Peyser
Alexander	Green, Pa.	Pickle
Anderson, Calif.	Griffiths	Pike
	Grover	Poage
Anderson, Ill.	Gubser	Podell
Andrews, N. Dak.	Gude	Preyer
	Hamilton	Price, Ill.
Annunzio	Hanley	Quillen
Ashley	Hanna	Randall
Aspin	Hansen, Idaho	Rangel
Badillo	Hansen, Wash.	Rees
Barrett	Harrington	Regula
Bauman	Harsha	Reid
Bergland	Hastings	Reuss
Bevill	Hays	Riegle
Biaggi	Hechler, W. Va.	Rinaldo
Bingham	Heckler, Mass.	Roberts
Boggs	Heinz	Rodino
Boland	Helstoski	Roe
Bolling	Henderson	Rogers
Brademas	Hicks	Roncallo, N.Y.
Brasco	Holifield	Rooney, Pa.
Bray	Holt	Rosenthal
Breaux	Holtzman	Rostenkowski
Breckinridge	Horton	Roy
Brooks	Howard	Roybal
Brotzman	Hungate	Ryan
Brown, Calif.	Johnson, Calif.	St Germain
Burke, Mass.	Jones, Ala.	Sarasin
Burton	Jordan	Sarbanes
Byron	Karth	Schroeder
Carey, N.Y.	Kastenmeier	Selberling
Carney, Ohio	Kazen	Shipley
Casey, Tex.	Keating	Shoup
Chisholm	Kemp	Shuster
Clark	Kluczynski	Sikes
Clausen, Don H.	Koch	Sisk
	Kuykendall	Slack
Clay	Kyros	Smith, Iowa
Cleveland	Landrum	Smith, N.Y.
Cohen	Leggett	Snyder
Collier	Lehman	Staggers
Collins, Ill.	Lent	Stanton, James V.
Conte	Long, La.	
Corman	Long, Md.	Stark
Cotter	McClory	Steed
Coughlin	McCloskey	Steele
Cronin	McCollister	Steelman
Culver	McCormack	Steiger, Wis.
Daniels, Dominick V.	McDade	Stokes
	McFall	Stratton
Danielson	McKay	Stubblefield
Davis, Ga.	McKinney	Stuckey
Davis, S.C.	Macdonald	Studds
Delaney	Madden	Sullivan
Dellums	Madigan	Symington
Denholm	Mailliard	Thompson, N.J.
Dent	Maraziti	Thone
Diggs	Matsunaga	Thornton
Dingell	Mazzoli	Tiernan
Donohue	Metcalfe	Towell, Nev.
Drinan	Mezvinsky	Van Deerlin
Dulski	Miller	Vanik
du Pont	Minish	Vigorito
Eckhardt	Mink	Waldie
Edwards, Calif.	Mitchell, Md.	Walsh
Eilberg	Mitchell, N.Y.	Whalen
Evans, Colo.	Moakley	Widnall
Evins, Tenn.	Mollohan	Williams
Fascell	Moorhead, Pa.	Wilson, Bob
Fish	Morgan	Wilson, Charles H., Calif.
Flood	Mosher	
Foley	Moss	
Ford, William D.	Murphy, N.Y.	Wilson, Charles, Tex.
	Natcher	
Fraser	Nix	Wolff
Frenzel	Obey	Wyatt
Fulton	O'Brien	Wyman
Gaydos	O'Neill	Yates
Giaimo	Owens	Yatron
Gibbons	Passman	Young, Ga.
Gilman	Patten	Zablocki
Goldwater	Pepper	

NOT VOTING—40

Bell	Guyer	Murphy, Ill.
Biester	Haley	Myers
Blackburn	Hammer-schmidt	Nedzi
Blatnik		O'Hara
Brown, Ohio	Harvey	Patman
Buchanan	Hawkins	Railsback
Burgener	Hébert	Rooney, N.Y.
Burke, Calif.	Hillis	Rose
Burke, Fla.	Jones, Tenn.	Roush
Conyers	Mahon	Teague, Tex.
Davis, Wis.	Meeds	Udall
de la Garza	Melcher	Wright
Dorn	Mills, Ark.	Young, Tex.
Gray	Minshall, Ohio	

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DINGELL

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

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 121, beginning in line 16, strike out "and the National Environmental Policy Act of 1969".

Page 121, line 18, immediately after the period insert the following:

The provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall not apply with respect to any action taken under authority of this Act before the effective date of the final system plan.

Mr. DINGELL. Mr. Chairman, the proposed amendment would change a broad, vague exemption into a tight and specific exemption covering a precise situation in which it is agreed that corrective action is necessary.

As approved by the committee, section 901 of the bill would exempt all transactions under the act from the provisions of the National Environmental Policy Act of 1969. That language, I believe, is far too broad, and the exemption is broader than the circumstances warrant.

What I believe the subcommittee and the draftsmen were concerned with was a narrower issue: the possibility of a lawsuit preventing the submission of the final system plan, and the abandonment of certain rail facilities in accordance with that final system plan. The amendment which I have proposed is addressed precisely to those issues.

The section of the National Environmental Policy Act which has occasioned virtually all of the litigation has been section 102(2)(C) of the statute. This is the section which requires the submission of environmental impact statements, and that such statements be prepared with regard to any proposed major Federal action which will have a significant effect upon the quality of the human environment.

I can readily see that an inadequate impact statement describing the implications of the adoption of a final system plan might create a significant delay. It is for this reason that I have offered the amendment which has been cleared by both my friend, the gentleman from Montana (Mr. SHOUP) and my friend, the gentleman from Washington (Mr. ADAMS). It is also likely that this type of action would require the filing of an environmental impact statement.

In the extraordinary circumstances which demand the legislation now before the House, that sort of delay cannot be tolerated. For this reason I have drawn an amendment which makes it clear that the action of Federal agencies, including the Federal National Railroad Association, will not be subject to the requirements of the Environmental Policy Act, section 102(2)(C) relating to the filing of environmental impact statements, up to and including the point at which the final system plan has been submitted and has gone into effect.

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

Mr. DINGELL. I yield to my friend, the gentleman from Tennessee.

Mr. KUYKENDALL. Mr. Chairman, I am having some trouble with semantics and if I can get some clarification I will be happy to vote for the amendment.

Mr. DINGELL. I thank my friend.

Mr. KUYKENDALL. If the gentleman's meaning is that this suspension carries through the adoption of the plan by the Congress and cuts off right there, I would be happy to accept the amendment myself.

Mr. DINGELL. The gentleman is correct. That is the interpretation of the language.

Mr. KUYKENDALL. I would accept the amendment.

Mr. DINGELL. I thank my friend, the gentleman from Tennessee.

Mr. Chairman, I also want to make it plain as part of the legislative history that it has also been suggested that the same exemption should apply to abandonment proceedings under the act, but after careful review, I have concluded, and I have checked my conclusions with the manager of the legislation, that these abandonments would not be considered to be Federal actions, and so would in no case be subject to NEPA compliance requirements under section 102.

I will confess that I do not like, and usually strongly resist, proposed incursions upon the National Environmental Policy Act. I am convinced, however, that what I propose today is far less damaging than the language in the bill as approved by the committee, and that the purposes of both the bill and the NEPA will be served if the proposed amendment is approved.

As in the colloquy with my friend, the gentleman from Tennessee, I would like to make it clear that the purposes are to carry it clear through adoption and the effective date of the system plan.

Mr. KUYKENDALL. I would be happy to support the amendment.

Mr. DINGELL. And my friend, the gentleman from Washington, has agreed it would be acceptable to him. I see the gentleman sitting there and I observe he nods "Yes."

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

The amendment was agreed to.

Mr. MACDONALD. Mr. Chairman, as the ranking member of the Interstate and Foreign Commerce Committee, I rise in support of H.R. 9142, the Northeast Regional Rail Reorganization Act. This bill directs the Government to reorganize bankrupt Northeast railroads into one self-sustaining corporation that will provide public service and preserve competitive private railroads.

This is good legislation which I am proud to have had a part in developing. Moreover, several carefully worked out compromises in the bill make H.R. 9142 the only hope for maintaining economically vital rail service in the Northeast, short of nationalization.

The crippling of the New England rail system could lead to a 4-percent slowdown in the Nation's overall economic

activity. A New England rail disaster would be a national disaster as well, and the need for this bill should be clear to Members from all regions of the country.

Mr. Chairman, as you know, I had a number of suggestions for improvements in this legislation which were adopted by the committee. I wanted the bill to provide that adequate "economic impact studies" be undertaken during the preparation of the final rail plan.

We are dealing not just with a rail issue, but with the economy of the whole region, with men's jobs, and with the economic well-being of dozens of communities. I wanted to make sure that the bill required those preparing the final rail plan to present to Congress clear studies of the impact of their proposals on jobs, workers, and communities. I am pleased that the committee accepted the amendment which I offered to section 303 of the bill. The bill now clearly states that "the minimization of job losses" and "unemployment" is a goal which must be taken into account in preparing the plan.

Mr. Chairman, there is one problem which I have—not with the bill but with the report—which I hope we can take care of quickly here. You will remember that on the last day of the committee's consideration of the bill, I asked that report language spell out in detail the kind of studies which we want Congress to have available so that it can judge the final system's plan.

Under this bill Congress has final responsibility for approving or disapproving the rail plan and we must know the basis on which decisions have been reached in that plan. I provided suggested report language to the committee, spelling out the kind of studies which should be available to the Congress so that it can meet its responsibilities.

The committee accepted my suggestion, but the language which I gave to the committee staff was inadvertently left out of the report at the bottom of page 48. I hope that we can have unanimous consent to amend the report as the committee agreed.

The full text of the report language approved by the committee is as follows:

In preparing the final system plan, employment impact, marketing, traffic, and financial studies shall be conducted which shall include but not necessarily be limited to the following:

(1) For each railroad in the northeast, an analysis of basic data, such as number of car loads, weight of shipments, miles traveled, commodities carried, origin and destination of each shipment, routing, rates, and equipment, utilizing information made available under Sec. 302 of this Subchapter.

(2) The development of a freight-flow model for the entire regional railroad system based on (a) freight routing data; (b) cost estimating relationships based on geography, car movements, car miles or train miles according to the various accounting categories of railroad expenses; and (c) a revenue and cost allocating relationship which spreads the revenue and appropriate costs over each freight-carrying trip.

(3) For each community in the affected service area, an analysis of the industries served, number of car loads shipped and received by each firm, the commodities handled, the number of jobs related to these commodities, the value added related to these commodities, the availability to these firms of other acceptable modes of transportation, a determination of the number of jobs that might be lost in the event of a cessation of rail service, and the economic impacts of such job losses on the community and various levels of government.

Once again, Mr. Chairman, I want to say what a wonderful job I think you have done in developing this vital legislation. It is the product of much work and much compromise. I support it because I think it is the best chance and perhaps the only chance we have of saving rail transportation in our region, which is vital to our whole national economy.

AMENDMENT OFFERED BY MR. KUYKENDALL

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

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 111, strike out lines 12 through 18 and insert in lieu thereof the following:

(c) Except as otherwise provided in this subsection the monthly displacement allowance provided for in subsection (b) of this section shall continue—

(1) until the attainment of age 65 in the case of a protected employee with at least five years of service on the effective date of this Act who is deprived of employment;

(2) for a period of six years or the attainment of age 65, whichever first occurs, in the case of a protected employee with at least five years of service on such effective date who is adversely affected with regard to his compensation; and

(3) for a period equal to his total prior years of service in the case of a protected employee who has less than five years on such date of enactment.

Page 111, line 19, strike out "such" and insert in lieu thereof "Such".

Mr. KUYKENDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. KUYKENDALL. Mr. Chairman, this is the amendment I spoke of in the general debate. This is the amendment that refers displacement allowance to employees only, displaced people only who are working for the corporation. A great many of these employees under the formula will be given bonuses. They could be from zero up to 35 percent or 40 percent of their pay until age 65, over and above the regular collective bargaining salary.

I pledged to the people in organized labor and I pledged to my colleagues on the committee that I would not disturb the benefits for people who were left unemployed. That is the reason I voted "No" on a previous amendment.

This amendment would limit the pay over and above the amount of money earned under collective bargaining agreements to 6 years. Remember, that money between the salary earned under collective bargaining and the salary earned by the formula arrived at under the agreement by the very rich presidents of the very rich railroads who were spending the taxpayers' money was arrived at after a considerable length of time.

Incidentally, I cannot resist making one remark here. When I see the way these railroad presidents are willing to give away taxpayers' money, it is no wonder the railroads are in such trouble so much of the time.

I would like to urge the adoption of this amendment. It is the same amendment. It gives a person who is transferred from any one of the seven bankrupt railroads to the new railroad 6 years with a bonus and at the end of the 6 years they draw their regular salary the remainder of their working life.

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

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

Mr. PICKLE. This does not disturb those people who are unemployed?

Mr. KUYKENDALL. This in no way disturbs anyone on furlough or drawing money because he has not had a job offer from the corporation. It would affect only those who are fully employed.

Mr. PICKLE. It would not affect the unemployed?

Mr. KUYKENDALL. It would not be expected to in any way.

Mr. STAGGERS. Mr. Chairman, I say this reluctantly, but I would like to know something more about the amendment. I have not read the amendment until just now. It sounds very much like the previous amendment in some aspects.

Now, the ones who are employed—if the gentleman would yield further.

Mr. KUYKENDALL. Yes, I believe it is the time of the gentleman from West Virginia.

Mr. STAGGERS. I will recognize the gentleman for 5 minutes.

The gentleman is cutting the displacement allowance off at 6 years?

Mr. KUYKENDALL. I am cutting off only the difference between their collective bargaining salary and the salary that has been determined in this formula. That additional amount is for 6 years only. It is called a displacement allowance.

In other words, Mr. Chairman, this would not apply particularly to the Clerks Union, because they work pretty steadily, but there are certain crafts where the formula for determining the pay is considerably higher than that I have on here. That is what they are under the 6 years, because it goes back, even under seasonal employees, it goes back 12 months, where they work over 50 percent of the time. It is different from the Penn Central merger. It is different than Amtrak. It is a brand new formula. This formula would mean that a great many employees would get a bonus out of the taxpayers from now until age 65.

Mr. STAGGERS. Let me ask this question. You are only talking about employees?

Mr. KUYKENDALL. That is correct, employees only.

Mr. STAGGERS. The new employees have to negotiate within 60 days, I believe, when they hire in as new employees.

Mr. KUYKENDALL. Mr. Chairman—I am talking to Chairman STAGGERS—any collective bargaining agreement that comes to less than the formula earns a salary, the difference between that collective bargaining agreement and that arrived at salary under this formula is paid by the taxpayers. If the collective bargaining agreement—this is the least understood part of this bill and the most dangerous, this is where the big money is out of the taxpayers' pocket—because if we go back, say a man works 3 months with heavy overtime, does not work for 2, that is, works less than 50 percent of the time, he will go back 16 months to get his 12 months. In some crafts this could be 30 or 35 percent more than the actual collective bargaining salary he could earn.

I say let him have that difference for 6 years, but do not let him have that difference for his working life.

Mr. STAGGERS. The gentleman is talking about life. That is no different than what has come up in the Chamber today. It is to age 65 and most of the ones that are affected will be the elderly ones.

Mr. KUYKENDALL. Sir, everyone is affected on this, everyone over 5 years is affected.

Mr. STAGGERS. I say in reality it is going to be only the older ones that are going to be affected.

Mr. KUYKENDALL. Mr. Chairman, I really disagree because practically every employee in the crafts and even a great many of the clerical employees will be affected here because this formula can never be lower—can never be lower than the collective bargaining salary, and in most cases will be higher, and the taxpayer makes up the difference.

My amendment says, let them make it up for 6 years, give them time to adjust to the fact that they have moved even though my allowance is paid by this money which comes out of the taxpayers' pocket.

It would simply mean this, that a C. & O. employee of one of the crafts, let us say, would be making that much less than the NYCR employee to do the same job in the same town, and the Government would be paying the difference.

Mr. STAGGERS. Mr. Chairman, would the gentleman say now that a man who had reached the age of 58, had dependents, and he has been off for 6 years, what would the gentleman do with him?

Mr. KUYKENDALL. At age 58? For 6 years he will receive his regular salary plus perhaps 25 percent, and that seventh year he will receive just his full salary, that is all. At age 65, I guess he retires. The gentleman asked me what will happen. The man will earn for the first 6 years his salary, plus.

Mr. STAGGERS. So the fact is, we made it that all railroad employees and retirees——

Mr. KUYKENDALL. That is right. This is one of the advantageous things in here for the new railroad, but in no way does that cut off anyone for anything except the bonus over and above his full salary.

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

Mr. Chairman, let me ask either the gentleman from Tennessee or the gentleman from West Virginia, if it is true that 10 of the largest corporations in this country went together and employed one of the top lobbying firms in this country, headed by a former Deputy Secretary of the Treasury, to lobby for the provisions of this bill? Is that true?

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

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

Mr. KUYKENDALL. Mr. Chairman, there was a group of them; there is or was a group of shippers that did employ the gentleman to lobby.

Mr. GROSS. General Motors, and Ford Motor Co., a total of 10 of the largest corporations in this country?

Mr. KUYKENDALL. In their defense, let me say that of course I know they did not lobby in the labor session.

Mr. GROSS. Mr. Chairman, let me ask this question: That being true, did they write the ticket for the payment of the employees in this bill? Those who may lose their jobs?

Mr. KUYKENDALL. There is no question whatsoever that this agreement reached between noninvolved railroad presidents and labor, which was probably involved; there is no question that this agreement is to an extent a sweetheart agreement which allows the new corporation—which allows the new corporation to prosper at taxpayers' expense.

Mr. GROSS. Mr. Chairman, let me ask the gentleman this question, if he can answer it: What do those corporations do when their employees are furloughed or laid off for some reason or other? What do they do?

Mr. KUYKENDALL. They do only what their collective bargaining agreements say they must do, and I do not know what those agreements say, but they do no more than, I am sure, what they say they do.

Mr. GROSS. And it would not begin to measure up to what is provided for in this bill, is that not true?

Mr. KUYKENDALL. As I said earlier, the gentleman from Iowa knows our committee—I think this is an awfully free giveaway for the taxpayers by railroad presidents who are honestly not involved in it at all. This is the reason I am urging my amendment.

Mr. GROSS. Mr. Chairman, I support the gentleman's amendment because it apparently is the lesser of the evils, and only because that I conceive it to be the lesser of the evils.

However, this is a very bad bill from the standpoint of the taxpayers of this country. And the House is setting a precedent here which it cannot live with in the future with respect to labor across this country.

I suggest you put that in your pipe and smoke it but good.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. KUYKENDALL

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

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 62, line 2, insert the following after the word "court": ", within 60 days after submission of the preliminary system plan pursuant to section 307; and".

Mr. KUYKENDALL. Mr. Chairman, I ask unanimous consent that the amendment on page 62, line 2, which was first read, and the amendment on page 74, line 8, which has not yet been read be considered en bloc.

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

There was no objection.

The CHAIRMAN. The Clerk will report the other amendment.

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 74, line 8, insert before the word "a" the following: "and to each United States district court having jurisdiction over a railroad in reorganization".

Mr. KUYKENDALL. Mr. Chairman, I will not take the full 5 minutes allotted to me on these amendments.

These are the amendments which, in my opinion, will make this bill veto-proof. This is what the amendments provide: In the bill itself the judge is required to make a full decision as to whether or not to accept the stock in the transaction subject to further review before the formation of the system, to declare that the seven railroads are in full bankruptcy, or if he wishes, to turn down the whole deal and liquidate them.

It is the feeling of those of us on this side who are supporting these amendments that there is a danger here, that we are rushing the judge into a decision which will cause us trouble in court later on deficiency judgments.

My amendments require that under section 301 the court within 60 days declare whether the railroads are in bankruptcy or not. But it delays the other determination until they have a chance to study the system plan for 60 days, meaning that that decision will be made in 360 days, when the court has had a chance to look at the plan.

There is absolutely no way that this judge could know whether we are going to have a system that is overloaded, with poor trackage, or whether we are going to have a system that is stripped down to being a profitmaking railroad; there is no way by which this judge can determine whether that stock is any good or not in 60 days.

We are afraid that if we force this judge to make a decision without the evidence in front of him to support his decision, when we go to court later—and we are going to court later; everyone on

all sides agrees that we are going to court to obtain a deficiency judgment—we will pull the rug out from under the judge, because he did not have a basis for making his decision, and, therefore, it can be called a poor situation.

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

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

Mr. SHOUP. Mr. Chairman, does the gentleman have knowledge concerning the six railroads that have been in reorganization, as to how long they have been in reorganization?

Mr. KUYKENDALL. There are different times involved. I believe the oldest one is 1957.

Mr. SHOUP. Well, I do not believe there is any railroad that has been under reorganization for less than 2 years.

Mr. KUYKENDALL. One of the railroads is not yet in reorganization.

Mr. SHOUP. Which one is that?

Mr. KUYKENDALL. If the gentleman will bear with me, I will tell him in a moment.

Mr. SHOUP. Mr. Chairman, let me withdraw that question.

If I may make my point, the gentleman is worrying about the judge making his decision in 60 days. Let us consider the case of the Penn Central. He has had it for how many years? For how many years has he been studying this problem?

I can assure you that the judge, Judge Fullam, knows more about Penn Central and the problems they have and whether or not like today they can be reorganized than anyone in this room.

Mr. KUYKENDALL. I would like to answer the gentleman's question if he will permit me. I am fully agreeing with the gentleman from Montana, and he is not disagreeing with me.

Sure Judge Fullam knows whether they are in bankruptcy or not and is fully qualified to make the decision, but how can he make a decision on a system plan which no one will see for 300 days?

Mr. SHOUP. Will the gentleman yield further?

Mr. KUYKENDALL. I yield.

Mr. SHOUP. At the present time I think Judge Fullam has under consideration a petition by the trustees immediately to liquidate this system up there. You are asking the judge in some way or another to violate the constitutional rights that the creditors have regarding the erosion of their rights and of their values for another 360 days, maybe.

Mr. KUYKENDALL. You know full well that whatever the judge says is the law and whatever Congress says is the law in this case is the law because there is no precedent here. If you ask that judge to make a decision on value and say yes on something on which he has no basis upon which to determine the value, it will not hold up in court later on.

Mr. SHOUP. The only decision that the judge must make—and that is specified very clearly in the bill—is one of three things as to what his decision will be. By making that decision he will make a decision as to how his railroad will be considered under the bill. The decision he makes is this: No. 1, can this railroad be continued to be reorganized under section 77 of the Bankruptcy Act.

Mr. KUYKENDALL. And he has already made that decision.

Mr. SHOUP. That is No. 1. No. 2 is no; that decision is no, and the court has decided to liquidate. The third decision is the judge says "I will use H.R. 9142 as a vehicle to reorganize this railroad rather than liquidating it."

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

Mr. Chairman, as I pointed out in general debate, we tried to pattern this bill on what happened in the New Haven inclusion cases.

I want to point out to the gentleman from Tennessee that the reason why we set the figure at 60 days is that the judge at that point does not have to make a decision as to whether or not the stock being obtained is worth a certain amount of money. He does not even have to make a decision as to whether or not certain of his lines are going to be given to the corporation. The decision he makes at that point is whether or not he wants to accept the statutory system of merger and reorganization that we have provided here. Then we provide at a later point where the consolidated court comes into existence for a determination as to whether the value is appropriate.

It is very important that we have this decision made early as to whether or not a particular railroad will be included in this system because of the six bankrupt railroads—and I know the gentleman will agree with me—we know the courts have stated in five cases already that they will either be liquidated or have to go into some kind of plan that we create because there is no way for them to come out of section 77 on an income basis. The sixth, which happens to be the Erie-Lackawanna—there has to be a determination as to whether it will come in. There has to be a determination made on that so the planners can work on the system.

That is why we said 60 days, because they know what they are dealing with. Most of the judges, as pointed out by the gentleman from Montana, have had these cases for a long period of time. During that period they have had considerable opportunity to determine whether they should accept a merger or not. That kind of information is before the court now. Although you might say that there should be a slightly longer period—and I would be willing to negotiate with the Department of Transportation and others when this bill comes up for conference with the Senate for a later potential date—you cannot go out 360 days on this because the planners and the corporation and the whole operation being worked on would have to work on two different systems. Under "The New Haven Inclusion" cases we can provide for that decision and the court can make such a decision early and with an expedited appeal provision we will know what to do with this system before you get to the valuation question.

Mr. KUYKENDALL. Will the gentleman agree first that my amendment does not change the judgment at 60 days as to whether or not the railroads are going under?

That is the same in both the bill and my amendment.

Mr. ADAMS. It is in effect a meaningless decision at that point if we do not have the fact that they are going to go under the plan, because they have already, with the exception of the Erie Lackawanna, stated that in effect. And if we do not make the decision as we have it in the bill a final one, they do not know whether to get in or get out of this merger system.

Mr. KUYKENDALL. If the gentleman will yield further, in the bill there is the date of September 30, 1973, for valuation. That is true regardless of when the determination is.

Is it not true, I would ask the gentleman from Washington (Mr. ADAMS), that under the bill that until the deficiency judgment, after the railroad is already formed, that between the 60 days the gentleman is talking about and that time of the deficiency judgment there is no judgment made by the court as to the value of the system?

Mr. ADAMS. Yes, that is correct. The valuation of the system—and here again we go back to the New Haven inclusion case, because there we had this type of a decision first, then a transfer of stock basically for assets and then litigation on value. That litigation on valuation lasted for years, and the New Haven case was much smaller in size than this one. We foresee a valuation case that could be litigated for maybe 10 or 15 years, not only on the amount but also which of these six bankrupt estates gets which amount of stock, so we are trying to make the system workable before this decision is made.

Mr. KUYKENDALL. If the gentleman will yield further, so you are going into court with a decision of the court as your only base that never saw the plan.

What I am saying is that the difference in the position of the gentleman from Washington (Mr. ADAMS) and mine, is that I think we have a better position in court if we let that judge see that plan for 60 days, than if we go into court and after the railroads are operating based on a decision where the judge never saw the plan.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendments, and I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment because I believe it just delays the plan, the reorganization plan, beyond what is necessary. We are trying to get something done as quickly as we can.

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

Mr. STAGGERS. I will be happy to yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, I do not claim to have any less or more knowledge than a good many people who are in the

Chamber at the moment as to the consequences of this amendment as it relates to all other matters, and I have to rely on other means of making a decision rather than personal knowledge. But I would like to ask a question going back to the rights of the employees under this bill, if the gentleman could answer it, and that is: Would the employees of the Southern Railroad, which is making a profit, have the same advantages at the taxpayers' expense as the employees are going to have who happen to be working for a bankrupt railroad?

Mr. STAGGERS. In reply to the inquiry of the gentleman from Tennessee, let me say that these labor provisions apply only to the employees of the bankrupt railroads covered under this bill, and that is because we are starting a new corporation, and we will be putting these men out in the cold unless we take care of them. It will be starting with all new employees, and unless we take care of them under the reorganization plan they would be left in the cold.

Mr. BAKER. So I gather that there has developed some precedent here of a stigma against making a profit in our free enterprise system so far as the rights and the opportunities of general employees are concerned. I believe that is bad.

Mr. SHOUP. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

Basically this amendment presented by the gentleman from Tennessee would completely gut and negate the entire plan we have before us.

Actually what it does is it allows the expenditure of some $36 million to build a beautiful plan to solve the problems in the Northeast, and then at the whim of some judge, after this money has been expended, he says: "I do not want to play your game. I am going to say no, so go back to the drawing board and draw a brand new plan."

The entire bill is based on defining which railroads are bankrupt, which ones are going to be liquidated, which ones are in reorganization, and which ones are profitable. We must have an identification of all Northeast railroads or the rest of the plan will be inoperable.

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

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

Mr. KUYKENDALL. Was this particular mechanism not part of an amendment that the gentleman and others put together to hopefully accommodate the Department of Transportation? The gentleman spoke of a good intent to compromise. Is this not one of them—the language that is in the bill now, the business of making the judge make those other two decisions at the end of 60 days?

Mr. SHOUP. The 60 days, and with the wording in there, with that particular amendment, and making the decision at the front end was the compromise reached on by Mr. ADAMS and myself with the Department of Transportation that that would remove the stigma of condemnation.

Mr. KUYKENDALL. All right, so I really wish the gentleman would consider his language when he says the bill is a complete bust without this language. Until the very last day of consideration, this language was not in the bill at all.

Mr. SHOUP. Apparently I misinterpret what the gentleman said.

Mr. KUYKENDALL. The gentleman said that this bill was gutted.

Mr. SHOUP. If the decision were left to the judge at the end rather than at the first, it would be. The decision must be made at the start of the process, not later on. The compromise was that language would be put in to eliminate the stigma of condemnation. I say if the judge wants to play, and take advantage of Government money, of tax money, of tax assistance, then he is going to make that decision before he gets into the game and not afterwards.

Mr. KUYKENDALL. The gentleman is forcing this judge to make a decision without ever having seen for what the stock is to be given?

Mr. SHOUP. Yes.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Tennessee (Mr. KUYKENDALL).

The question was taken; and on a division (demanded by Mr. KUYKENDALL) there were—ayes 22, noes 53.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. HASTINGS

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

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 97, line 21, strike out "shall" and insert in lieu thereof "may."

Mr. HASTINGS. Mr. Chairman, I will be brief; it should not take 5 minutes.

Section 701 refers to operating subsidies, and loans and loan guarantees for purchase by local, regional or State authorities of railroads that are scheduled for abandonment.

The present language says that the Secretary shall grant such loans or loan guarantees. My amendment makes this a permissive act on the part of the Secretary by changing the language to "The Secretary may grant such loans or loan guarantees."

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

Mr. HASTINGS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I would agree with the amendment and I think the other Members on this side would accept it too. Mr. Chairman, I accept the amendment.

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

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

Mr. KUYKENDALL. Mr. Chairman, I discussed this language in a conference with the gentleman yesterday. If the language is what we discussed, giving discretion to the Secretary in determining that ultimately a loan may be made available, if that is true I would accept it.

Mr. HASTINGS. I would assure the gentleman that I have investigated this matter with the department, this matter the gentleman is concerned with, and his concern would be part of the decision of the Secretary to approve or disapprove any application for a loan or loan guarantee.

Mr. KUYKENDALL. The gentleman has checked this with the Secretary of Transportation?

Mr. HASTINGS. Yes.

Mr. KUYKENDALL. I accept the amendment.

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

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

Mr. DINGELL. Mr. Chairman, I applaud the amendment. I think it is a good amendment.

Mr. HASTINGS. I thank the gentleman from Michigan.

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

The amendment was agreed to.

Mr. DINGELL. Mr. Chairman, everyone was surprised by the Penn Central bankruptcy, including 150,000 stockholders and several Government agencies. In fact, one ICC Commissioner testified the bankruptcy came as a complete surprise to him. One of the prime causes for the surprise was the lack of public information available. The insiders had this information and they bailed out of Penn Central stock before the collapse. The general public, on the other hand, did not have the information. Section 911 of the bill would transfer to the Securities and Exchange Commission the responsibility for insuring adequate public disclosure of material information about railroad securities. The legislation will not prevent a railroad from losing money or going bankrupt but, hopefully, it will let us know which railroad is in trouble sooner so we can prevent another Penn Central collapse.

People who buy stock expect the same legal protections whether they buy stock in Penn Central or General Motors. Right now, they do not have those protections because of loopholes in the Federal securities laws. Studies by the Investigations Subcommittee of the House Commerce Committee and by the SEC showed how the Penn Central Railroad was able to exploit those loopholes. In this era of concern for consumer protection, it is no longer defensible or desirable that the 100,000 stockholders who each owned less than 100 shares of Penn Central stock should be deprived of those protections and safeguards which Congress has long deemed essential.

The remedy to the second-class treatment accorded to investors in railroads is simple: the elimination of each and every exemption from the Federal se-

curities laws for carriers regulated by the ICC. Section 911 will put railroads on an equal footing with other major industries.

The impact of the Penn Central bankruptcy upon investors was enormous. Penn Central suspended indefinitely payment of its regular dividend beginning with the fourth quarter of 1969. The common stock of the Penn Central Co. plummeted from $35 per share in January of 1970 to $6.50 per share on June 22, 1970. This shrinkage in the market value of Penn Central's securities and the elimination of the dividend resulted in incalculable losses to untold numbers of small stockholders who had been led to regard Penn Central as a sound, blue chip investment for their old age. Even the financial reporting services failed to forecast on a timely basis the railroad's economic ill health.

The investigation which followed the first bankruptcy of the New Haven Railroad showed that the railroad's earnings had been overburdened with excessive interest and dividend charges. Like most other railroads at the time, its securities were badly watered and the public lost while insiders benefited. To remedy this abuse, the Interstate Commerce Commission was made responsible in 1920 for overseeing railroad securities. This ICC oversight, however, is aimed at protecting railroads from themselves, not at protecting the investing public.

Forty years ago, Congress set forth in schedule A to the Securities Act of 1933 certain minimal informational requirements it determined were essential for inclusion in a prospectus to enable investors to make an informed investment decision. Until September of this year, the ICC did not bother to put a single one of these requirements in writing. While American industry as a whole had to make full disclosure of such things as management compensation, stock options and insider transactions, railroads were able to withhold this information because of section 3(a)(6) of the Securities Act.

To insure further public disclosure, the Securities Exchange Act of 1934 imposed upon companies with substantial public investor participation the requirement to make periodic reports on a continuing basis. These reports were intended to keep investors informed about the financial, managerial and economic condition of their companies. Again, rail carriers have been able to avoid full disclosure by virtue of section 13(b) of the Securities Exchange Act which exempts them from filing periodic reports on a basis consistent with and comparable to other public companies.

The Trust Indenture Act of 1939 incorporated specific statutory provisions assuring investors in bonds and debentures important protections against dishonest or irresponsible indenture trustees and corporate managements. Rail carriers issuing securities pursuant to an indenture are exempt from the act. Although the ICC, by its rule-making authority, could have established the same protections for investors in bonds and debentures of such carriers, to date it has not done so.

On April 29, 1970, the Pennsylvania Co., as part of its filing with the ICC for approval to issue $100 million of sinking fund debentures due 1995, included a preliminary indenture. Analysis of the indenture revealed that it would have permitted virtually all of the abuses the Trust Indenture Act was intended to prevent.

The indenture failed to prohibit the possession or acquisition by the trustee of interests materially in conflict with that of the debenture holders. In fact, the trustee did have such a materially conflicting interest. The indenture failed to include any restriction on the rights of the trustee to improve its position as a creditor to the detriment of the debenture holders. In fact, the trustee was one of 10 banks which appropriated the deposit accounts of the Pennsylvania Co. and was a member of the group of 48 banks involved in the petition filed by First National City Bank attempting to foreclose on the Pennsylvania Co. stock pledged as collateral on a $300 million debt. The indenture omitted any provision for periodic reports by the trustee to the debenture holders. Other objectionable provisions, which would have been proscribed by the Trust Indenture Act, were also permitted in the indenture.

The most glaring lack of investor protections in securities of railroads subject to ICC regulation lies in the area of investment companies. The Investment Company Act of 1940, which is essentially a Federal law of trust applied to the investment company industry, regulates the activities of companies engaged primarily in the business of investing and trading in securities.

The act, among other things, strictly limits the legal ability of investment companies to engage in transactions with affiliates—especially transfers of assets—improper allocation of expenses, loans to a parent company, guarantees of financial obligations of a parent company and the creation of an oppressive debt structure. Penn Central's investment company subsidiary, the Pennsylvania Co., however, was able to evade all these prohibitions because section 3(c)(7) of the Investment Company Act exempts any company subject to regulation under the Interstate Commerce Act. This exemption denied to investors in Penn Central Co. and its publicly held subsidiaries the substantial protections accorded to investors in investment companies subject to the regulation of the SEC.

An investment company can avoid the regulation Congress determined was necessary to protect the public against abuse, not by a policy of self-restraint, but rather by expansion into an area which may detract from sound economic conditions in transportation. This is possible because of the gap in Federal regulation that arises from the juxtaposition of the 1940 act and the Interstate Commerce Act.

The SEC has on a number of occasions in past years pointed out that section 3(c)(7) permits a corporation which largely may be engaged in the business of investing and trading in securities to avoid regulation under the Investment Company Act simply by acquiring, with a small fraction of its assets, a common carrier, or to some minor extent being directly engaged in the business of an interstate carrier.

Conglomerates which might otherwise be subject to SEC regulation have found this exemption useful. Section 911(c) will limit not only railroad investment companies but also limit motor carrier investment companies. It will not interfere with legitimate and limited investment activity by bona fide rail and motor carriers.

The ICC has responsibility for the economic regulation of carriers subject to its jurisdiction and in that capacity passes upon the fitness of the carrier to issue securities. It will continue to exercise this very important function. The SEC, on the other hand, has responsibility "to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof."

In adopting section 911, the House Commerce Committee has noted the experience of public utilities subject to the jurisdiction of the Federal Power Commission. The economic regulation by that agency has not been impeded by the concurrent jurisdiction of the SEC over the securities of those utilities. Rather, more effective protections to consumers and to investors have been achieved.

The provisions of section 911, by putting rail carriers on an equal footing with other issuers, should enhance the opportunities of those carriers to raise capital in the public money markets. Comparability in the financial and other disclosure requirements which would now be extended to railroads will enable investors to evaluate the merits of rail securities on a more meaningful basis. It is hoped that it may also mitigate the effects of any future major rail bankruptcy similar to the Penn Central fiasco since two independent agencies will have the responsibility for monitoring the reports of those carriers.

AMENDMENT OFFERED BY MR. PEYSER

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

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 64, line 14, immediately after "requirements" insert "(including safety requirements)".

Mr. PEYSER. Mr. Chairman, this is a very brief amendment and I think we can move right on it. One of the goals of this new system should be that adequate safety requirements are in being for all commuter trains.

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

Mr. PEYSER. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, we would accept the amendment because I think it is worthwhile and really helps the bill. I hope all Members on this side will too.

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

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

Mr. KUYKENDALL. Mr. Chairman, I

will be very happy to accept the amendment.

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

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HEINZ

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

The Clerk read as follows:

Amendment offered by Mr. HEINZ: Page 87, line 22 after "discontinued" insert "after hearings by the Commission and".

Mr. HEINZ. Mr. Chairman, this is an amendment to section 503 of the bill. It provides for public hearings and concomitant notification to the public of hearings to be conducted by the Interstate Commerce Commission at such locations as may be deemed appropriate before or after, but preferably before the 90 days written notice to shippers and Government agencies currently required by section 503. The reason for amending the bill to include hearings is that as the bill stands now it only provides for notification to Governors, State agencies, local government and shippers, but it does not provide for the public to be made aware and for opportunity for comment by the public.

I submit that this is important to do, because the public should have an awareness of and a voice in State and local government plans to utilize title VII of this bill, which provides for 70 percent Federal sharing for operational subsidies and purchases for rail lines that would not be operated by the new rail corporation. We do not want any hidden "sweetheart" agreements between shippers and Government officials since these might well be contrary to the public interest. We do want a full understanding by the public of what may be proposed to serve the public at large.

In conclustion, I want to make clear that this amendment does not do certain things. It does not slow down or impede designation of the final system plan. Nor does it slow or impede the pace at which action will or should be taken under any section of title V beyond what is already in the bill.

Mr. Chairman, I urge the adoption of the amendment.

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

Mr. HEINZ. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I have looked at the amendment and I can accept this amendment and I hope other Members on this side will too.

Mr. HEINZ. I thank the chairman sincerely.

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

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

Mr. KUYKENDALL. I will be happy to accept the amendment.

Mr. HEINZ. I thank the gentleman and take this opportunity to express my appreciation to the gentlemen from West Virginia, Tennessee, Washington, and Montana for the outstanding leadership they have demonstrated in bringing before this body a badly needed, complex, difficult, and good faith, compromise on the many issues that H.R. 9142, the Regional Rail Reorganization Act of 1973 on balance successfully resolves. Although the bill is not perfect and I do have certain reservations that I have made clear in committee, I intend to support passage of the bill and so urge my colleagues.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KUYKENDALL

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

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 79, line 24, immediately after "assigned" insert "shall have all the powers of a reorganization court in proceedings under section 77 of the Bankuptcy Act and".

Mr. KUYKENDALL. Mr. Chairman, this is an amendment, I believe, that the gentleman from Washington had agreed to in the committee if we found it was needed.

May I have the gentleman's attention? I believe the gentleman would find this amendment agreeable. I would hope so.

Mr. STAGGERS. Mr. Chairman, I agree with the gentleman. I would be in favor of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

The amendment was agreed to.

Mr. KUYKENDALL. Mr. Chairman, I have one final amendment.

AMENDMENT OFFERED BY MR. KUYKENDALL

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

The Clerk read as follows:

Amendment offered by Mr. KUYKENDALL: Page 92, beginning in line 21, strike out all after the word "properties" through the end of the sentence.

Mr. KUYKENDALL. Mr. Chairman, I am inclined to believe this is a drastic oversight in the bill, because we have placed in the bill a maximum amount of $200 million that can be spent by the corporation for acquisition of FNRA loans. The language that is now in the bill would require that all that money be spent in the bankrupt estates and none could be spent for acquiring the nonbankrupt estates, or profitable railroads. There are scores of small 10 miles or 15 miles of track here and there that belong to profitable estates, leases, and this type of thing.

It was my understanding of the bill that the purpose of this $200 million in cash was to be at least partially used for the acquisition of properties on the nonbankrupt and profitable railroads, because there is going to be some of that done.

My amendment allows either the use of this money with the bankrupt properties in case of a deficiency judgment, Mr. ADAMS, the bankrupt, or the profitable properties in case they are forced to pay cash for nonbankrupt properties.

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

Mr. KUYKENDALL. I yield to the gentleman.

Mr. SHOUP. I believe the gentleman's comment about the $200 million was well put, in that it lists only $200 million that may be given or guaranteed in loans.

Mr. KUYKENDALL. That is correct.

Mr. SHOUP. To the bankrupt and others in the reorganization.

Mr. KUYKENDALL. It was my amendment, but that was not in the amendment.

Mr. SHOUP. It says that it shall be available solely for the rehabilitation and modernization of rail properties acquired by the corporation under this act. This only limits how much guaranteed loans will be available to the corporation of $200 million, not where they can use it, but $200 million available for the corporation.

Mr. KUYKENDALL. As a matter of record, may I have a colloquy with both the gentleman from Montana and the gentleman from Washington?

The way I read this language, Mr. ADAMS, they cannot buy 20 miles of track from a nonbankrupt railroad that might be needed in that system with this money.

Mr. ADAMS. I cannot agree with the gentleman. Turn to page 57 of the bill. You will see that it says the term "rail properties" means all of the assets and business owned, leased, or otherwise controlled by a railroad which are used or useful in rail transportation service.

So it was our interpretation that the language presently in the bill would allow this money to be used for railroads within the system, such as the Penn Central system, which has 47 separate entities within it.

The reason I have to oppose the amendment of the gentleman is that in reading it, it would allow $200 million to the limit to be used up for profitable properties and then there would not be the money if it were necessary in a deficiency judgment where a court would say in reorganization that it has to pay either cash or securities for this 100-mile segment.

Is there any part of the system where a small amount of cash has to be used, that this money cannot be used?

Mr. ADAMS. Mr. Chairman, I am having a little trouble with the gentleman's semantics. I think, in answer to his question, the answer is yes. The bill, as it is written, contemplates that, if the gentleman says that a particular segment has to be paid for in cash or securities, that they can use this $200 million for that, whether that particular segment within the system happens to be profitable or nonprofitable.

Mr. KUYKENDALL. Mr. Chairman, let me ask it a different way, then. If a nonbankrupt subsidiary of Penn Central owns 50 miles of track, I want to know if the money on this $200 million may be used for acquiring from a nonbankrupt subsidiary of Penn Central.

Mr. ADAMS. Mr. Chairman, my answer is yes, based on section 10, page 57, the section we are presently discussing.

Mr. KUYKENDALL. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Chairman. Is there objection to

the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Are there additional amendments?

If not, the question is on the Committee amendment in the nature of a substitute, as amended.

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

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill (H.R. 9142) to restore, support, and maintain modern, efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes pursuant to House Resolution 688, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment adopted in the Committee of the Whole?

Mr. STAGGERS. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL), on page 111.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment: Page 111, strike out lines 12 through 18 and insert in lieu thereof the following:

(c) Except as otherwise provided in this subsection the monthly displacement allowance provided for in subsection (b) of this section shall continue—

(1) until the attainment of age 65 in the case of a protected employee with at least five years of service on the effective date of this Act who is deprived of employment;

(2) for a period of six years or the attainment of age 65, whichever first occurs, in the case of a protected employee with at least five years of service on such effective date who is adversely affected with regard to his compensation; and

(3) for a period equal to his total prior years of service in the case of a protected employee who has less than five years service on such date of enactment.

Page 111, line 19, strike out "such" and insert in lieu thereof "Such".

The SPEAKER. The question is on the amendment to the committee amendment offered by the gentleman from Tennessee (Mr. KUYKENDALL).

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

Mr. STAGGERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. STAGGERS. 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 187, nays 198, not voting 48, as follows:

[Roll No. 571]

YEAS—187

Abdnor	Goldwater	Price, Tex.
Andrews, N.C.	Goodling	Pritchard
Archer	Green, Oreg.	Quie
Arends	Gross	Quillen
Armstrong	Grover	Railsback
Ashbrook	Gubser	Rarick
Bafalis	Gunter	Regula
Baker	Haley	Rhodes
Beard	Hanrahan	Robinson, Va.
Bennett	Harsha	Robison, N.Y.
Bowen	Heinz	Rogers
Bray	Henderson	Roncallo, N.Y.
Breaux	Hicks	Rousselot
Brinkley	Hinshaw	Ruppe
Broomfield	Hogan	Ruth
Brotzman	Huber	Sandman
Brown, Mich.	Hudnut	Sarasin
Broyhill, N.C.	Hunt	Satterfield
Broyhill, Va.	Hutchinson	Scherle
Burlison, Mo.	Ichord	Schneebeli
Butler	Jarman	Sebelius
Camp	Johnson, Colo.	Shriver
Casey, Tex.	Johnson, Pa.	Shuster
Cederberg	Jones, N.C.	Sikes
Chamberlain	Jones, Okla.	Skubitz
Chappell	Keating	Smith, N.Y.
Clancy	Kemp	Stanton,
Clausen,	Ketchum	J. William
Don H.	King	Steelman
Clawson, Del	Kuykendall	Steiger, Ariz.
Cleveland	Landgrebe	Steiger, Wis.
Cochran	Landrum	Stephens
Collier	Latta	Symms
Collins, Tex.	Litton	Talcott
Conable	Long, La.	Taylor, Mo.
Conlan	Lott	Taylor, N.C.
Conte	Lujan	Teague, Calif.
Coughlin	McClory	Thomson, Wis.
Daniel, Dan	McCloskey	Thornton
Daniel, Robert	McCollister	Towell, Nev.
W., Jr.	McSpadden	Treen
Davis, Ga.	Mailliard	Vander Jagt
Dellenback	Mallary	Veysey
Dennis	Mann	Waggonner
Derwinski	Martin, Nebr.	Wampler
Devine	Martin, N.C.	Ware
Dickinson	Mathias, Calif.	White
Downing	Mathis, Ga.	Whitehurst
Duncan	Mayne	Whitten
du Pont	Mazzoli	Widnall
Edwards, Ala.	Michel	Williams
Erlenborn	Milford	Wilson, Bob
Eshleman	Miller	Winn
Findley	Mitchell, N.Y.	Wyatt
Fish	Mizell	Wydler
Fisher	Montgomery	Wylie
Flynt	Moorhead,	Wyman
Ford, Gerald R.	Calif.	Young, Alaska
Forsythe	Nichols	Young, Fla.
Fountain	O'Brien	Young, Ill.
Frelinghuysen	Parris	Young, S.C.
Frenzel	Pickle	Zion
Frey	Poage	Zwach
Froehlich	Powell, Ohio	

NAYS—198

Abzug	Brooks	Dingell
Adams	Brown, Calif.	Donohue
Addabbo	Burke, Mass.	Drinan
Anderson,	Burton	Dulski
Calif.	Byron	Eckhardt
Anderson, Ill.	Carey, N.Y.	Edwards, Calif.
Andrews,	Carney, Ohio	Eilberg
N. Dak.	Carter	Evans, Colo.
Annunzio	Chisholm	Evins, Tenn.
Ashley	Clark	Fascell
Aspin	Clay	Flood
Badillo	Cohen	Flowers
Barrett	Collins, Ill.	Foley
Bauman	Cotter	Ford,
Bergland	Cronin	William D.
Bevill	Culver	Fraser
Biaggi	Daniels,	Fulton
Bingham	Dominick V.	Fuqua
Boggs	Danielson	Gaydos
Boland	Davis, S.C.	Gettys
Bolling	Delaney	Giaimo
Brademas	Denholm	Gibbons
Brasco	Dent	Gilman
Breckinridge	Diggs	Ginn
Gonzalez	Metcalfe	Schroeder
Grasso	Mezvinsky	Seiberling
Gray	Minish	Shipley
Green, Pa.	Mink	Shoup
Griffiths	Moakley	Sisk
Gude	Mollohan	Slack
Hamilton	Moorhead, Pa.	Smith, Iowa
Hanley	Morgan	Snyder
Hanna	Mosher	Spence
Hansen, Idaho	Moss	Staggers
Hansen, Wash.	Murphy, N.Y.	Stanton,
Harrington	Natcher	James V.
Hastings	Nelsen	Stark
Hays	Nix	Steed
Hechler, W. Va.	Obey	Steele
Heckler, Mass.	O'Neill	Stokes
Helstoski	Owens	Stratton
Holifield	Passman	Stubblefield
Holt	Patten	Stuckey
Holtzman	Pepper	Studds
Horton	Perkins	Sullivan
Howard	Pettis	Symington
Hungate	Peyser	Thompson, N.J.
Johnson, Calif.	Pike	Thone
Jones, Ala.	Podell	Tiernan
Jordan	Preyer	Udall
Karth	Price, Ill.	Ullman
Kastenmeier	Randall	Van Deerlin
Kazen	Rangel	Vanik
Kluczynski	Rees	Vigorito
Koch	Reid	Walsh
Kyros	Reuss	Whalen
Lehman	Riegle	Wilson,
Long, Md.	Rinaldo	Charles H.,
McCormack	Rodino	Calif.
McDade	Roe	Wilson,
McFall	Roncalio, Wyo.	Charles, Tex.
McKay	Rooney, Pa.	Wolff
McKinney	Rosenthal	Wright
Macdonald	Rostenkowski	Yates
Madden	Roy	Yatron
Madigan	Roybal	Young, Ga.
Maraziti	Ryan	Young, Tex.
Matsunaga	St Germain	Zablocki
Meeds	Sarbanes	

NOT VOTING—48

Alexander	Dorn	Minshall, Ohio
Bell	Esch	Mitchell, Md.
Biester	Guyer	Murphy, Ill.
Blackburn	Hammer-	Myers
Blatnik	schmidt	Nedzi
Brown, Ohio	Harvey	O'Hara
Buchanan	Hawkins	Patman
Burgener	Hébert	Roberts
Burke, Calif.	Hillis	Rooney, N.Y.
Burke, Fla.	Hosmer	Rose
Burleson, Tex.	Jones, Tenn.	Roush
Conyers	Leggett	Runnels
Corman	Lent	Teague, Tex.
Crane	McEwen	Waldie
Davis, Wis.	Mahon	Wiggins
de la Garza	Melcher	
Dellums	Mills, Ark.	

So the amendment to the committee amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Teague of Texas for, with Mr. Rooney of New York against.

Mr. Hébert for, with Mr. Waldie against.

Mr. Mahon for, with Mr. Hawkins against.

Mr. Dorn for, with Mr. Dellums against.

Mr. Burleson of Texas for, with Mr. Blatnik against.

Mr. Patman for, with Mrs. Burke of California against.

Mr. Guyer for, with Mr. O'Hara against.

Mr. Wiggins for, with Mr. Murphy of Illinois against.

Mr. Crane for, with Mr. Nedzi against.

Until further notice:

Mr. Alexander with Mr. Hammerschmidt.

Mr. Corman with Mr. Brown of Ohio.

Mr. Conyers with Mr. Davis of Wisconsin.

Mr. Jones of Tennessee with Mr. Bell.

Mr. Leggett with Mr. Esch.

Mr. Mills of Arkansas with Mr. Biester.

Mr. Roberts with Mr. Burke of Florida.

Mr. Roush with Mr. Blackburn.

Mr. Runnels with Mr. Buchanan.

Mr. Rose with Mr. Lent.

Mr. McEwen with Mr. Hillis.

Mr. Harvey with Mr. Minshall of Ohio.

Mr. Meyers with Mr. Hosmer.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. BAKER

Mr. BAKER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BAKER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BAKER moves to recommit the bill H.R. 9142 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 306, nays 82, not voting 45, as follows:

[Roll No. 572]

YEAS—306

Abdnor	Cleveland	Fuqua
Abzug	Cochran	Gaydos
Adams	Cohen	Gettys
Addabbo	Collier	Giaimo
Anderson, Calif.	Collins, Ill.	Gilman
Anderson, Ill.	Conable	Ginn
Andrews, N.C.	Conte	Goldwater
Andrews, N. Dak.	Cotter	Gonzalez
Annunzio	Coughlin	Grasso
Ashley	Cronin	Gray
Aspin	Culver	Green, Oreg.
Badillo	Daniel, Dan	Green, Pa.
Barrett	Daniel, Robert W., Jr.	Grover
Bauman	Daniels, Dominick V.	Gubser
Bergland	Danielson	Gude
Biaggi	Davis, Ga.	Haley
Bingham	Davis, S.C.	Hamilton
Boggs	Delaney	Hanley
Boland	Dellums	Hansen, Idaho
Bolling	Dent	Hansen, Wash.
Bowen	Diggs	Harrington
Brademas	Dingell	Harsha
Brasco	Donohue	Hastings
Bray	Downing	Hays
Breaux	Drinan	Heckler, Mass.
Breckinridge	Dulski	Heinz
Brinkley	du Pont	Helstoski
Brooks	Eckhardt	Henderson
Brotzman	Edwards, Calif.	Hinshaw
Brown, Calif.	Eilberg	Hogan
Broyhill, Va.	Erlenborn	Holifield
Burke, Mass.	Eshleman	Holt
Burton	Evans, Colo.	Holtzman
Butler	Evins, Tenn.	Horton
Byron	Fascell	Howard
Camp	Fish	Hudnut
Carey, N.Y.	Fisher	Hungate
Carney, Ohio	Flood	Hunt
Carter	Flowers	Jarman
Casey, Tex.	Foley	Johnson, Calif.
Chamberlain	Ford, William D.	Johnson, Pa.
Chappell	Forsythe	Jones, Ala.
Chisholm	Fountain	Jones, N.C.
Clark	Fraser	Jones, Okla.
Clausen, Don H.	Frenzel	Jordan
Clay	Fulton	Karth
		Kazen
		Keating
		Kemp
Ketchum	Parris	Stanton, James V.
King	Passman	Steed
Kluczynski	Patten	Steele
Koch	Pepper	Steelman
Kyros	Perkins	Stephens
Landrum	Pettis	Stokes
Leggett	Peyser	Stratton
Lehman	Pickle	Stubblefield
Lent	Pike	Stuckey
Litton	Podell	Studds
Long, La.	Preyer	Sullivan
Lott	Price, Ill.	Symington
McClory	Quillen	Talcott
McCloskey	Railsback	Taylor, N.C.
McCollister	Randall	Thompson, N.J.
McCormack	Rangel	Thomson, Wis.
McDade	Rees	Thone
McFall	Regula	Thornton
McKay	Reid	Tiernan
McKinney	Reuss	Towell, Nev.
McSpadden	Rhodes	Udall
Macdonald	Riegle	Ullman
Madden	Rinaldo	Van Deerlin
Madigan	Robinson, Va.	Vanik
Mailliard	Robison, N.Y.	Veysey
Mallary	Rodino	Vigorito
Mann	Roe	Waggonner
Maraziti	Rogers	Walsh
Martin, Nebr.	Roncalio, Wyo.	Ware
Mathias, Calif.	Roncallo, N.Y.	Whalen
Matsunaga	Rooney, Pa.	White
Mayne	Rosenthal	Whitehurst
Mazzoli	Rostenkowski	Whitten
Meeds	Roy	Widnall
Metcalfe	Roybal	Williams
Mezvinsky	Ryan	Wilson, Charles H., Calif.
Michel	St Germain	
Milford	Sandman	
Minish	Sarasin	Wilson, Charles, Tex.
Mink	Sarbanes	
Mitchell, Md.	Satterfield	Winn
Mitchell, N.Y.	Scherle	Wolff
Moakley	Schneebeli	Wright
Mollohan	Sebelius	Wyatt
Montgomery	Seiberling	Wydler
Moorhead, Pa.	Shipley	Wylie
Morgan	Shoup	Wyman
Mosher	Shriver	Yates
Moss	Shuster	Yatron
Murphy, N.Y.	Sisk	Young, Ga.
Natcher	Skubitz	Young, Ill.
Nelsen	Slack	Young, Tex.
Nix	Smith, Iowa	Zablocki
O'Brien	Smith, N.Y.	Zion
O'Hara	Snyder	
O'Neill	Spence	
Owens	Staggers	

NAYS—82

Alexander	Flynt	Obey
Archer	Ford, Gerald R.	Poage
Arends	Frelinghuysen	Powell, Ohio
Armstrong	Frey	Price, Tex.
Ashbrook	Froehlich	Pritchard
Bafalis	Gibbons	Quie
Baker	Goodling	Rarick
Beard	Gross	Rousselot
Bennett	Gunter	Ruppe
Bevill	Hanrahan	Ruth
Broomfield	Hechler, W. Va.	Schroeder
Brown, Mich.	Hicks	Sikes
Broyhill, N.C.	Huber	Stanton, J. William
Burlison, Mo.	Hutchinson	
Cederberg	Johnson, Colo.	Stark
Clancy	Kastenmeier	Steiger, Ariz.
Clawson, Del	Kuykendall	Steiger, Wis.
Collins, Tex.	Landgrebe	Symms
Conlan	Latta	Taylor, Mo.
Dellenback	Long, Md.	Teague, Calif.
Denholm	Lujan	Treen
Dennis	Martin, N.C.	Vander Jagt
Derwinski	Mathis, Ga.	Wampler
Devine	Miller	Wilson, Bob
Dickinson	Mizell	Young, Alaska
Duncan	Moorhead, Calif.	Young, Fla.
Edwards, Ala.	Nichols	Young, S.C.
Findley		Zwach

NOT VOTING—45

Bell	Esch	Mills, Ark.
Biester	Griffiths	Minshall, Ohio
Blackburn	Guyer	Murphy, Ill.
Blatnik	Hammer-schmidt	Myers
Brown, Ohio		Nedzi
Buchanan	Hanna	Patman
Burgener	Harvey	Roberts
Burke, Calif.	Hawkins	Rooney, N.Y.
Burke, Fla.	Hébert	Rose
Burleson, Tex.	Hillis	Roush
Conyers	Hosmer	Runnels
Corman	Ichord	Teague, Tex.
Crane	Jones, Tenn.	Waldie
Davis, Wis.	McEwen	Wiggins
de la Garza	Mahon	
Dorn	Melcher	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Melcher against.
Mr. Biester for, with Mr. Wiggins against.
Mr. Esch for, with Mr. Guyer against.
Mr. Myers for, with Mr. Crane against.

Until further notice:

Mr. Teague of Texas with Mr. Runnels.
Mr. Rooney of New York with Mr. Roberts.
Mr Burleson of Texas with Mr. Rose.
Mr. Conyers with Mr. Waldie.
Mr. Corman with Mr. Davis of Wisconsin.
Mr. Mahon with Mr. Hosmer.
Mr. Nedzi with Mr. Bell.
Mr. Mills of Arkansas with Mr. McEwen.
Mrs. Griffiths with Mr. Blackburn.
Mr. Dorn with Mr. Hammerschmidt.
Mr. Blatnik with Mr. Hillis.
Mr. Hanna with Mr. Minshall of Ohio.
Mr. Ichord with Mr. Brown of Ohio.
Mr. Jones of Tennessee with Mr. Patman.
Mr. Murphy of Illinois with Mr. Buchanan.
Mrs. Burke of California with Mr. Harvey.
Mr. de la Garza with Mr. Burke of Florida.
Mr. Hawkins with Mr. Roush.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to restore, support, and maintain modern, efficient rail service in the northeast region of the United States; to designate a system of essential rail lines in the northeast region; to provide financial assistance to certain rail carriers; and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE CONFERENCE REPORT ON H.R. 1570

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have until midnight Saturday night to file a conference report on the bill H.R. 1570.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to ask the distinguished majority leader if he will inform the House of the program until next week.

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

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

Mr. O'NEILL. Mr. Speaker, in response to the question of the distinguished minority whip, there is no further legislative business for today. Upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program of the House of Representatives for the week of November 12, 1973, is as follows:

Monday is District Day. There are no bills. S. 1081, the trans-Alaskan pipeline authorization conference report.

On Tuesday we will consider H.R. 8916, State, Justice, Commerce, and judiciary appropriations, for the fiscal year 1974, a conference report; and H.R. 8877, Labor and HEW appropriations for the fiscal year 1974, a conference report.

On Wednesday we will consider S. 1435, District of Columbia self-government, a conference report; H.R. 11216, AEC supplemental authorization, subject to a rule being granted; and House Resolution 128, Members convicted of certain crimes, subject to a rule being granted.

On Thursday, we will consider the Social Security Act amendments, subject to a rule being granted. We will also consider two bills reported unanimously by the Committee on Ways and Means, as follows: H.R. 7780, duties on certain yarns of silk; and H.R. 6642, duties on certain bicycle parts. We will also consider military construction appropriations, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

The House will be in recess for Thanksgiving, from the close of business on Thursday, November 15, 1973, until noon Monday, November 26, 1973. We plan to bring up on that day, November 26, the very important manpower bill, and all Members should take note of that at this time.

Mr. Speaker, if the gentleman will yield further, I will continue with my remarks.

I would like to state further that during Thanksgiving week, the Committee on the Judiciary will continue to meet and work on the very important matters before it concerning the Special Prosecutor legislation and the nomination of the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD.)

This work will be expedited by the fact that the House will not be meeting, and committee sessions will not be interrupted by quorum calls and rollcalls. The committee will meet morning, noon, and night, as well as afternoons. When we return on November 26, we intend to take up major legislation, including the manpower bill, the special prosecutor bill, defense appropriations, supplemental appropriations, and possibly the foreign aid appropriations bill, all subject to being ready from the committees.

We will consider the Ford nomination on the floor on or before December 6. In addition, we should have the pension reform bill on that week and the budget reform bill.

Mr. Speaker, this list is not meant to be complete, but only to give the Members an idea that while we are taking 3 days off during Thanksgiving, during time that we would not normally work, there will be a considerable amount of work being done by committees.

Mr. ARENDS. Mr. Speaker, will the gentleman advise us concerning when the leadership will call up the recess resolution?

Mr. O'NEILL. Mr. Speaker, we hope to call up the recess resolution some day next week. It has already been agreed to by the leadership on the Senate side.

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

Mr. ARENDS. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I have asked for this time in order to confirm an understanding which I had had with the chairman of the Committee on the Judiciary as to the reporting of the name of the distinguished minority leader for confirmation as Vice President of the United States.

It is my understanding that the rule will be reported to the House on or before December 6.

Does that mean that we will be extending the time, as reported by the majority leader?

Mr. O'NEILL. Mr. Speaker, we have that scheduled for the week of December 3, I believe. When I say, "we" I mean the leadership on our side.

Consequently we should be out of here that week before December 6, and it is my understanding that the gentleman has an agreement that has been made between himself and the majority whip and the chairman of the Committee on the Judiciary that this matter would be up before December 6.

ADJOURNMENT OVER TO MONDAY, NOVEMBER 12, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS CONGRESS HAS DONE MORE ABOUT ENERGY THAN THE ADMINISTRATION

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

Mr. O'NEILL. Mr. Speaker, President Nixon's television address on energy last night had two distinct sides to it.

First, he called for a lot of commonsense measures to conserve energy, things that everybody can understand and cooperate with—lowering room temperatures, reducing driving speeds, going to all-year daylight saving, using urban mass transportation. To the extent that the President needs legislation to accomplish these kinds of objectives, the Congress will give it to him.

But the other side of the President's address was the attempt to divert public attention from his personal problems. He blamed Congress for failing to act on energy. But, if anything, this Congress has done more about energy than the administration.

Last April, we gave the President standby authority to make mandatory fuel allocations. Only this month has he begun to use it. A bill requiring him to allocate fuels is now out of conference, and we intend to pass that as soon as we can.

The bill has taken so long to pass because the administration deliberately stalled it—asked us repeatedly through the summer and fall to hold up until the President's emergency energy plan was ready. No such plan was ever sent to Congress.

That is the way it has been with most of his energy messages—and he has sent us four this year on that one subject. But the legislation he promises us always lags far behind. Congress has been working as expeditiously as possible on his energy proposals, considering their complexity and far-reaching consequences. In each instance, we have to take into account the effects upon consumer and environmental interests.

Congress has given the President authority to regulate oil exports. We expect to take final action on the Alaska pipeline conference next week, and at the same time surface mining regulations will go into final mark-up. One other important energy measure is already in conference—operating subsidies for urban mass transit so we can get the cars off the roads. There are reports that the President would veto that bill. I certainly hope not, because we intend to get it up for final passage as soon as possible and get it to the President to help him with this fight to conserve energy.

MANDATORY PETROLEUM ALLOCATION PROGRAM

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

Mr. FASCELL. Mr. Speaker, several problems regarding the mandatory petroleum allocation program have come to my attention this week which give me considerable concern. I would like to discuss them briefly.

The program for mandatory allocation of middle distillate fuels—kerosene, jet fuel, home heating oil, diesel fuel, and

range, stove, and gas oil—became effective last Thursday, November 1.

Under the program, suppliers are required to supply their customers at the same volume they were supplied during 1972. If a supplier had no contract with a particular company during 1972, it is under no obligation to make any fuel available to that customer in 1973.

As a result, some businesses have been notified by their October 1973 suppliers that as of November 1—the effective date of the program—they would no longer be able to service them.

This was the case with a marine construction firm in Florida. They received notification on October 22 that as of November 1, Standard Oil who had been supplying them in recent months, would no longer be able to do so. The firm's 1972 supplier has gone out of business, however, and the company therefore had no access to any supplier.

A telegram was sent to the Office of Oil and Gas on October 26 by the construction firm, requesting that they be assigned a supplier. My office contacted the regional Office of Oil and Gas that day. Although the office was working under a substantial backlog, one of the officials there agreed to contact the Florida firm. Since the initial contact, however, no further action has been taken, and the Florida firm is still without a supplier.

Repeated attempts to reach the regional office to inquire about the case have met with no success. Telephones are busy or ring unanswered. The regional office is seriously understaffed. I understand they have a staff of about six people and a backlog of cases they cannot possibly handle. I am certainly sympathetic to their problem, but fail to understand how this could be allowed to happen.

Failing to reach Atlanta, the Office of Oil and Gas in Washington was contacted and officials there advised that the most expeditious way to handle shortage problems was for the subject firm to write to Atlanta for the necessary Government forms. Washington explained that the completed forms were necessary for the regional office to take action in assigning a new supplier.

Regrettably, the forms are not yet available. I understand that GPO is working on them and hopes to have them ready by the end of this week for distribution to the various regional offices.

Meanwhile, one wonders what has happened to the October 26 telegram which the Florida firm sent to the Office of Oil and Gas.

The frustrations of this particular incident are significant for one very important reason. It points to the near total lack of preparedness for moving into the mandatory allocation program. Even though the administration operated its own voluntary allocation program for some 6 months, it appears that no thought was given during that time to contingency plans in the event a mandatory program became necessary. The staff is inadequate; the procedures are not operative; and companies needing assistance are at an impasse.

Suppliers refuse to supply customers they are not required to unless they are directed to do so by the Office of Oil and Gas. And the Office of Oil and Gas cannot act until it has the requisite forms. And the customer cannot fill out the forms because they are not available. It is unbelievable.

The mandatory petroleum allocation program promises to be a bigger disaster than the economic stabilization program. I pale at the thought of moving into a rationing program, in the event such action becomes necessary.

It is my most sincere hope that Governor Love's office—or Admiral Reich's office—or the Office of Oil and Gas—or the Interior Department—or someone somewhere, is planning in detail, contingency steps for rationing should it become necessary.

I have written to each of these officials expressing that hope and asking that they advise me of the steps that are being taken.

In the meantime, my office will continue its attempt to raise officials in the regional office by telephone.

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

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

Mr. VANIK. Mr. Speaker, I just want to join in with the comments made by the gentleman from Florida, and say that yesterday my office tried to reach the Chicago office which covers our area, and it took 25 calls to get a call answered.

Mr. FASCELL. I am sympathetic to the problem they have, but the fact is that they just have not prepared for it. They do not have the people, and here we are in the winter season undertaking a mandatory program with obviously insufficient funds.

HERSH GUTMAN: ANOTHER VICTIM OF SOVIET OPPRESSION

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

Mr. BIAGGI. Mr. Speaker, not long ago, I journeyed to the Soviet Union at my own expense to present the case for freedom of emigration for all Soviet citizens, but most particularly for the Soviet Jews. At that time, I met with Andrey Verein, Director of the Office of Visas and Registration. I was the first Member of the House of Representatives who was admitted to see him to discuss the matter of Soviet emigration rights.

As a result of my specific intercession subsequent to that, I was able to obtain an exit visa for Matvei Weig, who is now a resident of Israel. Publicity over his case has brought to my attention the case of Hersh Gutman, who is still trapped within the Soviet Union.

Mrs. Faina Gutman, his mother, wrote to me from Israel saying that their whole family, including Hersh, were granted permission to emigrate in 1972. However, at the last minute Hersh's permission was denied. His family left, hoping that he would soon join them. Sadly, he has not done so as yet. He remains another victim of the inhuman Soviet emigration policy.

Recently, I and 20 of my colleagues sent a letter to Premier Kosygin urging him to grant Hersh an exit visa. No reply has been forthcoming.

At a time when we are considering establishing special trade relations with the Soviet Union, we must ask ourselves if we can do this in good conscience, knowing that the basic civil and humanitarian rights of individuals are daily being denied by the Soviet regime.

No trade concession, no special treatment, no most-favored-nation status should be granted the Soviet Union as long as they maintain the severe restrictions on emigration for their people. We must use our economic power to force a change in this policy which denies basic rights that are afforded every other citizen of the world. I urge my colleagues to oppose any trade bill that does not have the provisions of the Mills-Vanik bill in it. These provisions would make a force emigration policy a prerequisite, in order for the trade bill to become operative.

THE 198TH BIRTHDAY OF U.S. MARINE CORPS

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

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, on November 10, 1973, the U.S. Marine Corps will celebrate its 198th birthday. As the Nation turns to peace this elite fighting force has added roles and missions in keeping the peace for our country and its people. I think the Navy Times editorial of November 7, 1973, states very well how our marines are meeting the challenges of today and are prepared to meet any challenge of tomorrow.

The editorial follows:

NO HARDENED ARTERIES

As they prepared for their 198th anniversary, the U.S. Marines were standing by for—but unlikely to enter this time—yet another crisis. A brigade and its helicopters were poised in the Mediterranean, ready to evacuate Amercian civilians from any of the countries involved in the latest Arab-Israeli war or to perform other services as needed.

It's not a new role for the Marines. They and their Navy amphibious mates have been plugging the dikes of American diplomacy since the days of the Barbary pirates.

But with such crisis arising at this time—not yet a year since the last combat in Vietnam—drama is added to the Corps' drive to return to the literal meaning of force-in-readiness.

Gen. Robert E. Cushman Jr. has called this year a period of transition. That can be interpreted two ways: The physical transition from protracted, land-locked combat to a mobile strike force cruising worldwide. And an intellectual transition from the urgencies of war to the innovations possible in peacetime.

In the past, the Marines have taken such readjustments in their stride.

They emerged from a lengthy ground war in Korea, too, but were able to respond amphibiously to flare-ups in the Mediterranean and Caribbean not long after.

And they've always used the between-war years wisely. It was, after all, the Marines

between World Wars I and II who perfected the amphibious tactics that won so many battles in the Pacific.

And it was those peacetime Marines between World War II and Korea who pioneered the integration of helicopters and troops.

The forthcoming era of peace can be "an exciting time to be a Marine," the Commandant says in his anniversary message. And, indeed, there are many questions to titillate the imaginative:

How can the energies of the laser beam be harnessed for battlefield use?

Will tanks be effective in the future, or merely be monstrous victims of one man with one shoulder-fired missile?

Can the Harrier VStol capabilities be enlarged to heavy transport?

Can the multi-million dollar computer banks be used even more effectively for the betterment of individual Marines?

This past year, Headquarters provided some emphatic answers to the latter question. The Corps was the first service to fully use the new computerized pay system. And efforts began to provide individuals with print-outs that forecasts the futures of their occupational fields, a vitally important planning document for potential careerists.

Of course, the past year had a full quota of challenges and we think the Corps responded well.

Even before Congress began pinging on "grade creep," Headquarters was gradually evening out its rank structure. When the promotion freeze came, it impacted on Marines less than it did on other servicemen.

When it became evident that PCS costs were becoming prohibitive, the Corps was quick to reduce the amount of nice-to-have transfers and follow that with more liberal overseas extensions.

When studies showed that surging desertion and unauthorized absence incidences were linked with substandard enlistments, Headquarters decided to drive for quality even if there were temporary recruiting shortfalls.

And progressiveness was evident in adoption of a new liberal arts college program for enlisteds, in the ability to slim down its Headquarters and in the beginnings of a new clubs and messes system.

Still the Corps displayed its unique tendency to progress technically while keeping its emotional roots deeply imbedded in tradition.

It's fighting doggedly—and some think futilely—a judicial trend to allow Reservists long hair because it thinks Marines—Regular or Reserve—are supposed to be distinctive and unified in appearance as well as spirit.

Also traditional this past year have been a call for a return to formalized discharge and retirement ceremonies.

SPEECH INTRODUCING THE NATIONAL COMPREHENSIVE HEALTH BENEFITS ACT OF 1973

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

Mr. STAGGERS. Mr. Speaker, today I am submitting to the Congress legislation, entitled the National Comprehensive Health Benefits Act of 1973, designed to create a better health-care system and program of health insurance for the people of this country.

While you are all familiar with the need for legislation of this kind, I would like to review briefly several principal arguments for its enactment. Medical care has become too costly for many of our citizens to obtain without the benefit of a strong program of national health insurance. In recent years the proportion of our gross national product devoted to medical care has reached 7 percent, the highest in the world. Inflation in medical care costs has occurred at a rate of over 10 percent per year for almost a decade, well in excess of the rate for other parts of the economy. Catastrophic illnesses have faced many families with medical care costs in excess of $25,000, often completely destroying these families and driving them into indigency.

At the same time, medical services are often unavailable. Physicians and other providers of such services are not distributed in a rational manner, and our existing Federal programs for the improvement of health care are charged with being fragmented and inadequate.

Despite the expenditure of large amounts of money, and our various efforts to date, this Nation is not a world leader in the health of its people. The people of many countries experience longer average life span, fewer infant and maternal deaths, lower incidences of tuberculoses and other infectious diseases, and superior records in the treatment of some chronic illnesses.

I am convinced that part of the solution to these well-known problems lies in the creation of effective, universal national health insurance. For this reason I am introducing today the National Comprehensive Health Benefits Act. This legislation is based on several principals which are incorporated into its provisions.

It recognizes that universal access to comprehensive health care is an inherent right of each of our citizens. Further, it recognizes that the assurance of this right is in the national interest, since only through effective comprehensive health care can we achieve a healthy population capable of effective participation in the work force, learning in our schools, and enjoyment of family life.

The legislation provides that the same comprehensive health care benefits should be available to all of our citizens and that each citizen should bear the costs of the benefits to which he is entitled in proportion to his financial means, with the Federal Government making up the differences between the costs of such benefits and the reasonable contribution of our poor and near-poor citizens.

All citizens should be protected from the costs of catastrophic illnesses in such a manner as to assure that no one shall be rendered destitute by the misfortune of his own illness or the illness of a member of his family.

People should have the right and opportunity to choose, from a pluralistic health care system, their source of health care and their source of health insurance.

Citizens must recognize and undertake a responsibility for the preservation of their own health so as to prevent unnecessary disease and medical care costs.

Each of these principals is incorporated into the legislation which I am proposing. In addition, the legislation has several important features:

It would build on existing health insurance and health care programs rather than replacing or reorganizing them unnecessarily.

It incorporates a fundamental and strong role for our State governments in the development and administration of the program so as to assure that it will be responsive to the various needs of our great country rather than being a single, monolithic Federal program.

It will use the existing private health insurance industry for much of the actual administration of its health insurance provisions, in hopes of obtaining their years of expertise in the creation of an effective and efficient program.

It provides for a 6-year period of transition from our present system to the one envisioned in the legislation, in order to assure that the enactment of the legislation will not be unreasonably disruptive or costly.

It contains incentives for the creation and use of health maintenance organizations—already considered by the Committee on Interstate and Foreign Commerce, and passed by the House of Representatives—because the development of health maintenance organizations will aid in controlling rising costs under the program, encourage the maintenance of individual's health, and create new alternatives to existing sources of care for people to choose if they so desire.

It contains strong provisions for controlling the cost and quality of care provided under the program and for limiting the profits which can be made from the program.

The House Committee on Interstate and Foreign Commerce and its Subcommittee on Public Health and Environment, to which this legislation has been referred, will begin background and exploratory hearings on the subject of national health insurance next week. These hearings are designed to provide the Members with an overview of the issues involved in the enactment of national health insurance. It is my hope that after the completion of these hearings it will be possible to proceed to legislative hearings on this and any similar proposals. In view of the urgency of the problems to which this legislation is responsive, I shall make every effort to complete this hearing process within the next year.

This legislation is similar in some regards to the National Health Care Services Reorganization and Financing Act, H.R. 1, sponsored by the Honorable AL ULLMAN of Oregon which has been referred to the Committee on Ways and Means. It is my profound hope that our committee can consult with Mr. ULLMAN and the Committee on Ways and Means in the development and final enactment of this legislative proposal.

The legislation introduced today is a long and complex proposal and I recognize that the work which has gone into its preparation is only a beginning. It is my intention in the coming months to seek the comments and advice of affected professional organizations, agencies, and consumers on the provisions of this bill. I would like to assure the Members of the House that these comments will be

heard and incorporated into the legislation so that whatever legislation is finally brought to the House will be generally recognized as a complete and careful proposal worthy of your consideration.

I am including in the RECORD with these remarks a complete summary of the legislation. A more detailed, section-by-section analysis of the bill will be available early next week:

THE NATIONAL COMPREHENSIVE HEALTH BENEFITS ACT OF 1973

DESCRIPTION

A. *General approach*—The bill would establish a program of comprehensive health care benefits for all U.S. residents, phased in over a six-year period. Financing would be primarily through employer (75 percent) and employee (25 percent) contributions to the costs of purchasing private health insurance providing the defined benefits, and secondarily through Federal general revenues to meet the costs of coverage for the aged, poor, unemployed and near poor.

Newly created State Health Commissions (SHCs) would be responsible for the actual administration of much of the program, including standard setting and quality control, assisting in the development of Health Maintenance Organizations (HMOs), and administration of some of the insurance provisions. Existing private health insurance carriers would be used to underwrite most of the legislation's insurance benefits. The development and use of HMOs (defined as they are defined in HMO developmental legislation recently passed by the House of Representatives) would be encouraged through additional direct developmental assistance and through a ten percent Federal subsidy of HMO premiums.

B. *People covered*—Within two years of enactment all aged, low income and unemployed individuals and families would be provided coverage for basic health services. Within four years of enactment all individuals and families would be provided coverage for basic health services and the cost of catastrophic illness. Within seven years of enactment all individuals and families would be provided coverage for comprehensive health care benefits and the costs of catastrophic illness.

C. *Scope of benefits*—Basic Health services are similar to those which HMOs would be required to provide under HMO developmental legislation. They include (as specified by the Secretary of HEW in regulations):

A. Physician services.
B. Hospital services.
C. Laboratory and radiologic services.
D. Limited, acute mental health services.
E. Home health services, and
F. Preventive health services.

Comprehensive health care benefits include:

I. Periodic health evaluations
a. Screening tests and exams.
b. All immunizations.
c. Well-baby care to age 5, with number of covered visits decreasing with age of child.
d. Dental services for children to age 12.
1. One free routine exam per year.
2. Extractions, fillings, etc.—20 percent copayment.
e. Vision services for children to age 15.
1. One free routine exam per year.
2. Prescription eyeglasses—20 percent copayment.

II. Physicians' services and ancillary health care.

a. Services on an ambulatory basis in any appropriate setting (including the home) by physician or allied personnel under his supervision—50 visits per year with $3 copay per visit.

b. Ambulatory diagnostic procedures—20 percent copay.

c. Hospital or ambulatory center services.

d. Supplies, materials, use of facilities and equipment, including drugs used or administered in connection with outpatient services.

e. Ambulance services—20 percent copay.

f. Voluntary family planning and infertility services.

III. Other ambulatory services

a. Ambulatory institutional care program for mental illness, alcoholism, drug abuse—$2 copay per day, limited to 120 visits per coverage year.

b. Drugs, prosthetic devices, and equipment—$1 copay per prescription, 20 percent copay for devices and equipment.

c. Home health services—100 visits with $20 copay per visit.

IV. Inpatient services.

a. Hospital care—60 days per 90 day benefit period, except for mental illness, alcoholism, drug abuse where limit is 45 days. Copay $5 per day.

b. Extended care services—30 days per benefit period with $2.50 copay per day.

c. Nursing home care—60 days per benefit period with $2.50 per day copay.

d. Physicians' services to inpatients—$3 copay per visit of attending physician only.

Catastrophic expense benefits would provide that, once an expenditure limit in any given year was reached, all copayments for services, limits on the number of services covered, and other restrictions and limits no longer applied and that coverage was complete. These benefits would become effective immediately for low-income persons (individuals with annual income below $2,500; a family of 4 with income under $6,500). For all others the benefits would become effective when medical expenses reached a Special Expenditure Limit graduated according to income. For example, a family of 4 with income of $10,500 would be required to incur $1,000 in out-of-pocket expenses before the benefits took effect.

D. *Administration*—The Federal Government would administer the insurance program for the aged and low-income and would contract directly with carriers or HMOs to provide covered benefits. Employer-employee plans would be administered through approved carriers or HMOs. New independent State Health Commissions (SHCs) would be established in each State to authorize incorporation of HMOs, enforce regulations pertaining to providers, control premium rates charged by carriers, HMOs, and other providers, approve expansion of health facilities and services, etc. The Department of HEW would assume functions of a State Health Commission in any State which failed to establish one. Private insurance carriers would issue qualified insurance policies, collect premiums, administer claims, and reimburse providers in accordance with Federal and State guidelines.

E. *Financing*—The Federal insurance program for the aged, poor, and near poor would be financed through general revenues with cost-sharing for services and premium contributions scaled according to financial means. Employers would be required to pay at least 75 percent of the premium cost for employee plans, with employees responsible for the remaining 25 percent. Federal general revenues would also be used to cover the cost of a 10 percent premium subsidy for anyone enrolled with an HMO.

F. *Payments to, and standards for providers of services*—State Health Commissions would be responsible for determining premium rates to be use by private insurors and/or HMO's for mandated Comprehensive Health Care Benefit packages. SHC's would also approve on a prospective basis all charges for services provided by HMO's and all other Health care providers. State Health Commissions would review the activities and performance of HMO's and other health care providers to assure that providers were meeting their obligations under the bill. Federal regulations would prescribe methods to be used in determining reasonable operating costs and sufficient capital payments for HMO's and health service institutions; and reasonable fees, salaries, or other compensation for individual providers or groups of providers. The Department of HEW would also prescribe standards for providers relating to quality, safety, personnel, etc.; as a minimum, providers would be expected to meet existing Medicare requirements.

Non-HMO providers would be reimbursed by private carriers underwriting the Comprehensive Health Care Benefits plan. HMO's would be paid directly by enrollees or by carriers contracting with them on any appropriate prospective or prior-budgeted basis (including capitation or itemized charges for specific services). After the first five years of operation, an HMO would be required to provide a complete prepayment option to enrollees.

G. *Effect on other government programs*—No other government program would be immediately or directly affected. Both Medicare and Medicaid would continue in effect. However, since the proposed program would, when fully operational, provide all people with benefits broader than are currently available under these and other programs, they would eventually need modification to assure that they supplement the proposed program. Provision for this is included in the case of Medicaid.

H. *Other major provisions*—The legislation contains a variety of other new and important provisions designed to assure that it will result in an open, flexible program which will serve the needs of both consumers and providers. These include:

1. Creation of a new National Health Services Advisory Council whose responsibilities include review and comment upon proposed new or revised regulations under the bill prior to their publication in the *Federal Register*.

2. A strong emphasis, appearing in several places, upon health education and an individual's responsibility for both the maintenance of his own health and proper utilization of available health services.

3. A requirement that the Advisory Council conduct a study of methods for providing health care institutions with appropriate capital funding (particularly in needy areas).

4. Provision that persons who are defined as low-income or medically indigent and are covered under an employer plan for Comprehensive Health Care Benefits, would be entitled to a premium contribution refund, if the amount of their contribution under the employer plan exceeded the amount they would contribute under the Federally financed plan for such persons.

5. Authority for the Secretary to regulate the retention of premium income in excess of payments as benefits by private carriers so that the retention rates would be reasonable and not permit profiteering from the program.

6. Strict provisions to both protect the confidentiality of all information gathered under the program concerning individuals and assure public access to all fiscal and other information concerning the program's operation.

7. Requiring all carriers offering plans under the program to make full disclosure to covered individuals, upon request, of available benefits, exclusions from coverage, premium rates, terms and conditions of available options for enrolling in HMOs, and the percentage of premiums paid out as benefits.

8. Requiring states to make possible citizen actions to compel either SHCs or carriers to comply with the requirements of the program.

9. Requiring carriers, HMOs, and other providers of health care to make information available to individuals concerning their charges, hours of operation, and licensure.

10. Requiring SHC's to regulate the retention rates and promotion of all health insurance offered for purposes of complementing or supplementing insurance providing Comprehensive Health Care Benefits.

INVESTIGATION OF PRESIDENTIAL ASPIRANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUNT) is recognized for 5 minutes.

Mr. HUNT. Mr. Speaker, today I am introducing legislation which would require a thorough investigation by the Attorney General of any person designated as next in line to act as President in the case of a vacancy in the office of Vice President, whenever a vacancy exists.

This legislation is vitally important to this country, Mr. Speaker, if we are to continue to be a country of law, and a country of integrity of the highest caliber.

During the last few weeks there has been a great deal of conjecture as to how the Congress should go about interpreting the intent of the 25th amendment. In order to be completely thorough it was decided that a full-scale investigation of Congressman JERRY FORD should be conducted, leaving no stone unturned, no bank account, expense account, or personal indiscretion hidden from view. I cannot say I question this approach as we, indeed, need men of the highest standards to fill Government's highest positions. I did, however, question the need for some 350 FBI agents in some 33 bureaus to assist in this data-gathering process.

At the present time Mr. FORD is still serving as the minority leader of the House of Representatives. He is, until confirmed, merely the Vice President-elect.

What does concern me more than anything else in this matter is the fact that in this time of turmoil in Government, with the Vice Presidency now vacated, the Speaker is next in line of succession. There is absolutely no guarantee that Mr. Nixon will remain in office until Mr. FORD is confirmed. I do not say that because I feel he will resign, nor do I say that because I feel he will be impeached. I merely mention it because health and death are always factors to be considered.

There has been a great deal of talk that GERALD FORD will be confirmed, and will be confirmed shortly. That is all well and good. But what of other times? There is no guarantee that this will, indeed, be the case.

My legislation is being introduced to smooth the way for the future. It will go a long way in dispensing of doubt and what procedures shall be followed in years to come. Granted it goes into effect immediately, but then again, there is no absolute guarantee, for reasons I do not feel necessary to mention, that Mr. FORD will succeed to the Vice Presidency. Again stalling tactics, health, and possibly death could all play a part in this.

With the precedent already set by the Ford confirmation process, there should be little to argue about with this legislation. It should not be looked upon as partisan legislation. Rather it should be taken as another step in the bipartisan effort to reform our Government and simplify our succession process as spelled out in title 3, section 19, United States Code. This is the section of the code which deals with the vacancy in offices of both the President and Vice President and other officers eligible to act.

FUEL SHORTAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, intensified by the Arab nations' drastic cutback of oil shipments to the United States, a serious shortage of fuel and energy is faced by our Nation this winter, as President Nixon pointed out in his address to the Nation last evening.

The impact and the duration of the shortage hinges primarily on two unknowns: How long the Arab nations persist and how bitter the weather is in the winter months which are fast approaching.

As a first step toward meeting the problem, the Federal Government November 1 launched an emergency fuel oil allocation plan. Its goal is to distribute as evenly as possible the petroleum products that are vital to keeping American homes warm, generating the Nation's electricity and turning the wheels of business and industry.

The White House has also sent to Congress an emergency fuel bill. Included in its provisions is authority which would allow imposition of a nationwide speed limit of 50 miles per hour, would cut basic supplies of fuel to nonessential users and would allow implementation of a year-around daylight saving time—provided such measures are warranted.

Congress has already taken several steps to increase the supply of energy in the future. Additional funds have been appropriated for energy research and development in almost every field of study. Special legislation for solar energy demonstration and geothermal energy research and development will soon be considered, and legislation which would authorize construction of the Alaskan pipeline is about completed.

However, legislation to develop new sources of energy or to increase the supply of petroleum and natural gas will not have an impact for several years. Therefore, for the immediate future we must concentrate on conserving energy.

One-third of all the energy consumed in the United States is used directly by individual citizens in their homes and automobiles. Thus, if each of us minimizes our own wasteful energy practices, we cannot only save money, but we can help alleviate fuel shortages.

Surely we all can learn to turn out unnecessary lights automatically in our home and walk around the corner to buy a carton of milk instead of driving to get it. If we do not, the energy to supply those lights and to propel that car will become harder and more expensive to obtain.

Most people fail to realize the seriousness of the situation. The current facts do not mean that our lights are going to go out tomorrow from a massive power shortage or that no one will be able to buy gasoline, but we must take some action to slow down our energy consumption. The rate at which we are consuming energy continues to climb. The total energy consumed in the United States in mid-1973 is 223 percent of the amount used in 1950, well over twice as much.

You know, we have had it pretty good over the years, but as the fuel problems become more severe, I think we are going to have to change our lifestyle.

In our homes during daylight hours, we can open the draperies of those windows which let sunshine in. Even when it is cold outside, sunshine brings warmth into the house. We can close the draperies in the evening to keep warmth inside. We can keep our thermostats set at the lowest comfortable temperature during the day. For most homes, each degree the thermostat is lowered reduces heating costs and fuel consumption by 2 to 3 percent.

Jackrabbit starts, poorly tuned engines, improperly inflated tires, unsteady driving speeds and idling all use large amounts of gas. The experts recommend driving slowly for one-quarter of a mile on cold mornings rather than idling for 10 to 15 minutes. I am told that radial tires, although they cost more, save gas and are ultimately a better buy.

Mr. Speaker, President Nixon outlined the energy problem in clear terms last night, and he articulated in plain terms the challenge facing America in the months ahead. I urge the Congress to act promptly on President Nixon's energy proposals, and I urge every citizen, including, of course, the Members of this body, to practice energy conservation conscientiously in our daily activities. The problem is a serious one, but our Nation has encountered and solved serious problems on many occasions in our history. With prompt action and informed leadership by the Congress and by State and local officials, and with the conservation efforts of every American, I am confident we can weather the shortages immediately ahead and eventually attain energy self-sufficiency in the United States.

SMALL COMMUNITY DEVELOPMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 10 minutes.

Mr. CULVER. Mr. Speaker, today I am reintroducing legislation which will assist small communities in the construction or rehabilitation of multipurpose community centers, and in the renovation of small community business districts. This bill, entitled the "Small

Community Development Act," was originally introduced early in 1971.

The needs of small communities and nonmetropolitan areas have been neneglected for too long a time in our country. While there are some Federal programs existing which provide aid, directly or indirectly, to help small towns in rural areas, there is no clear and consistent national growth policy, with definite goals, to encourage revitalization and development of small communities.

Outmigration continues to be a very serious problem for the Nation's rural areas. The migration of small town and rural residents to large cities and metropolitan areas increases the problems these areas are having meeting the needs of their growing populations. There is clear evidence, however, that this trend can be reversed. The key is a program to revitalize small towns so as to preserve their own identity.

This means helping these communities to provide their citizens with basic services: Police and fire protection, library, town meeting hall, health facilities, recreational facilities for use by both the older and younger members of the community. In many cases, however, small towns lack the financial resources to provide an adequate building for these activities, even though quite often these operations can be economically and conveniently housed in a single structure. Under the legislation I am introducing, these small towns would be eligible for Federal assistance for building these community facilities.

Equally important to the future of small communities is the condition of their downtown business district. Too often old buildings, basically sound and unique architectually, have been allowed to deterioate, presenting a drab exterior. The level of economic activity and the general vitality of the community declines, and the town slides slowly out of the mainstream of American life.

The Subcommittee on Housing of the Committee on Banking and Currency is now considering several bills proposing various Federal housing and community development programs. I fervently hope that any bill reported by this committee will include provisions for adequate assistance for the development of small communities.

Mr. Speaker, an analysis of the bill follows:

ANALYSIS OF THE SMALL COMMUNITY DEVELOPMENT ACT OF 1973

TITLE I—CONSTRUCTION OR REHABILITATION OF MULTIPURPOSE COMMUNITY CENTERS

Authorize the Secretary of Housing and Urban Development to make grants, pay interest rate subsidies and undertake guarantees to small communities (towns under 15,000 and not part of a metropolitan area) and regional units (any grouping of governmental units which want to consolidate their public service functions) to assist in the construction or rehabilitation of multi-purpose community facilities for health, recreation, library, public safety, and local government use.

(1) A facility combining local government uses with public safety uses will be eligible for (a) a federal guarantee of the sums borrowed; and (b) an annual grant in the full amount of the interest due on the sums borrowed, e.g. a facility which houses local government offices and the central police and fire stations.

(2) a facility combining health, recreational, or library uses with local government uses or with local government and public safety uses will be eligible for (a) a federal guarantee of the sums borrowed; (b) an annual grant in the full amount of the interest due on the sums borrowed, and (c) a grant equal to ⅔ of the cost of the health, recreational and library accommodations, e.g. a facility which includes a library, health clinic, and recreational area which can be used by both the elderly and young members of the community.

TITLE II—BUSINESS DISTRICT RENEWAL

Authorize the Secretary of Housing and Urban Development to make loans and grants to local non-profit development companies in order to assist them in the exterior rehabilitation, restoration, and beautification of small community business districts.

(1) A local non-profit development company will be eligible for a federal grant to help finance the planning and design of the exterior rehabilitation, restoration and beautification of the community business district.

(2) A local non-profit development company will be eligible for a loan equal to ⅔ the cost of rehabilitating, restoring and beautifying the facade of the business district.

(3) A local non-profit development company will be eligible for a grant equal to ⅔ the cost of rehabilitating, restoring and beautifying the public areas of the business district, provided the plan has the approval of the community's governing unit.

NIXON TRADE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 10 minutes.

Mr. DENT. Mr. Speaker, apparently, in an effort to pass the Nixon trade bill, nothing is being left undone. Our Ways and Means Committee, by a substantial majority, is already committed to its passage and has decided to pass it without measures that would serve to protect at least one American industry or any American jobs.

For many years, those of us who have noted the serious threats to American employment as a result of our trade policies have been opposed in our position by every phase of American business, Government, media, and labor. The labor segment has finally realized the serious damage already inflicted on the Nation evident in the country's inability to provide jobs to Americans on the growing unemployment lists. The forceful and articulate position of American labor should be read by every Member of this Body who feels that the current trade bill would solve the problems currently posed by inadequate trade policies. For that reason, I insert the resolution adopted by the AFL–CIO at their recent convention, as it relates to the trade bill:

RESOLUTION ON INTERNATIONAL TRADE AND INVESTMENT ADOPTED BY AFL–CIO CONVENTION, OCTOBER 19, 1973

INTERNATIONAL TRADE AND INVESTMENT

The Administration, Congress and other nations now recognize the new problems of the United States in the world economy of the 1970s. As the U.S. position has continued to decline, dollar devaluations and piecemeal trade actions have added to distortions at home and abroad. No prospects for a realistic improvement in the trade balance, the value of the dollar, or the health of the U.S. in the world economy are in sight, unless government remedies are adopted. The American standard of living and the jobs of American workers in all types of industries are threatened. The industrial base of the nation is being undermined. The need for action and comprehensive new policies cannot wait.

Emphasis on changing monetary relationships and machinery and misplaced reliance on agricultural exports cannot possibly solve America's problems or the world's needs. Nor can the patch-work of trade, tax and other proposals offered to the Congress as the Trade Reform Act of 1973. Solutions and requests for power are not the same. They cannot substitute for a comprehensive policy that demonstrates recognition of new realities.

America's traditional prowess in world trade had been based on high wages and high productivity, on technology and efficiency of operations, manpower skills, large volume of output and a highly educated population—as well as the availability of raw materials and sources of energy.

New factors, like the internationalization of technology, multinational corporations and banks, managed national economies with subsidies for exports and barriers to imports have changed the trade relationships of labor rates and unit costs in recent years. Foreign trade has been increasingly affected by these changes. The problems will probably get worse if the forecast of shortages of energy and raw materials come to pass, unless there is a basic change in policy.

Amidst these new factors the choice is no longer the cliches of free trade vs. protectionism. Instead, the United States must base its policy on its strength—the American people, its free institutions, its schools and skills, its standard of living, its research and development, as well as its varied resources at home.

The world is still a world of nation-states. The U.S. government and the Congress can adopt policies only for this government and the American people. Such policies may then be used to work with other nations to achieve a mutually improving world. To seek world goals and ignore national needs is to destroy the objectives of a prosperous United States in a prosperous world economy.

The Foreign Trade and Investment Act of 1973, the Burke-Hartke bill, is an effort to provide a framework for dealing, specifically, with the causes of America's deteriorating position in international economic relationships.

The Burke-Hartke bill would provide government regulation and restraint of the export of American technology and capital—regulation not elimination. It would remove the tax subsidies and other incentives that encourage U.S. companies to establish foreign subsidiary operations.

It would also set up a "sliding-door" limitation on most imports, except on those goods that are not produced here or that are in short supply—a "sliding-door" limitation, not a high wall to block out imports. Quotas would be related to the level of American production. In fact, imports would be guaranteed a share of the American market and would be permitted to increase as American production increases. But imports would not be permitted to flood American markets and quickly wipe out American industries.

Until the framework of Burke-Hartke is part of U.S. law, the government should enforce laws that now exist. The Administration can now direct agencies to stop the brokering of low-wage labor markets abroad by U.S. government officials, to stop encouraging destructive imports, to control exports of agricultural products and raw materials in short supply, to help injured industries when U.S. production and jobs have been lost, to discourage easy export of American tech-

nology, to check the outflow of U.S. capital and insist on the accurate and detailed reporting of trade flows, to require labelling of foreign-made products, to enforce already enacted consumer laws for safety, health and labelling.

Congress should retain its constitutional power to regulate interstate and foreign commerce, to levy taxes and other powers by insisting that each individual non-tariff barrier, whether product standards, tax changes or tariff classification, be carefully examined by Congress in public hearings before any international agreement is reached and that all international agreements to change non-tariff barriers be on an ad referendum basis.

Congress should reject the Administration's trade package of October 1, 1972 which would provide most-favored-nation status for Soviet exports to the U.S. and the extension of large-scale credits for Russian purchase of American goods and technological know-how.

Congress should deny the granting of preferential entry (duty-free or special tariff status) either partially or wholly from any country which subsidizes exports, grant tax subsidies to foreign investors or requires production or investment within its country.

A healthy diversified industrial U.S. economy is essential for the sound expansion of trade of other nations, both developed and developing. U.S. market shares can be available for others only if both their own markets and U.S. markets are expanding. The United States must therefore gear its own policies to putting its house in order. Other parts of the world economic structure will not be aided by further disruptions of the U.S. economic productive strength.

The national interest of the United States within its borders is the primary responsibility of the United States government—with full recognition that this nation can join with other nations to pursue the advance of the world economy. The employment and labor standards impact of the new changes in world economic relationships must be carefully identified in detail so that working people are not compelled to bear most of the burden of such changes.

The trade bill reported out by the House Ways and Means Committee grants excessive power to the President. It provides no specific machinery to regulate the flood of imports. It does not deal with the export of U.S. technology and capital to other parts of the world where multinational corporations can maximize profits and minimize costs at the expense of U.S. production and jobs. It does nothing to close the lucrative tax loopholes for American-based multinational corporations which make it more profitable for them to locate and produce abroad. It does not repeal items 806.30 and 807 of the tariff code, which encourage foreign assembly and production of goods for sale in the U.S. Moreover, the bill permits continued extension of low-interest loans by U.S. Government agencies to the Soviet Union.

This bill, known as the Trade Reform Act of 1973, H.R. 10710, is worse than no bill at all. The AFL–CIO urges defeat of this bill and asks for comprehensive new policies to restore America's social and economic strength in international relationships.

ACTIVITIES OF THE SUBCOMMITTEE ON INTERNATIONAL FINANCE

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, the Subcommittee on International Finance will shortly be considering several important items, and I want to take this brief time to inform the House of these activities, so that any Member having an interest in these matters can be informed.

First, we will conduct another hearing in our series on progress toward international monetary reform. This hearing will be held jointly with a subcommittee of the Joint Economics Committee which also has a keen interest in the subject. This joint hearing will be on Tuesday, November 13, and the principal witness will be Under Secretary of the Treasury Paul Volcker. We will also seek the advice of a very prominent banker and economist, Freeman Huntington, of the First National City Bank of New York.

Even though the dollar has been showing renewed signs of strength lately, I think it would be foolish for anyone to conclude that the world's monetary problems are at an end; they most certainly are not. Renewed crises are possible, and renewed problems for the dollar are also possible. Monetary reform has not been accomplished, and progress toward that objective seems inordinately slow. I believe that we need to anticipate our problems, to make progress, and be prepared to deal with monetary problems before they arise. I hope that this hearing will serve as a means of bringing us up to date on progress, and the prospects for early monetary reform.

Second, the subcommittee will take up soon, legislation to authorize additional U.S. participation in the International Development Association, which was agreed to at the World Bank annual meeting in Nairobi last September. The President sent legislation to the House on October 31, pursuant to this agreement, calling for an additional $1.5 billion in U.S. contribitions to IDA. This contribution represents a smaller share of the total IDA commitment than in the past, and in terms of actual buying power, will provide about the same level of support we have given in past years.

The President has also requested an additional $50 million in soft loan resources for the Asian Development Bank, and we will take this up at the same time as the IDA request.

Hearings on these new multilateral lending commitments will begin on Wednesday, November 14, with Secretary of the Treasury Shultz. I expect to continue hearings on December 6 with David Rockefeller, chairman of the Chase Manhattan Bank, and Fred Bergsten, a fellow of the Brookings Institution. I hope also that Eugene Black, the distinguished past President of the World Bank, can also appear. Hopefully, subcommittee markups on these bills can be accomplished by December 8.

I have adopted this program in accordance with a commitment I made to the President to promptly consider his requests for IDA and Asian Bank participation. The President attaches considerable importance to these matters and is anxious for Congress to begin consideration of them. I intend to cooperate with him, and give these requests early action.

Mr. Speaker, the House has heard the President's message of October 31 on these bills. I take the liberty of including in the RECORD an additional communication I have received from him concerning these matters:

THE WHITE HOUSE,
Washington, D.C., October 30, 1973.

HON. HENRY B. GONZALEZ,
House of Representatives,
Washington D.C.

DEAR MR. GONZALEZ: Thank you for your letter of October 1 concerning the multilateral development institutions, and in particular, the replenishment of the International Development Association (IDA).

You are correct that at the recent World Bank meeting in Nairobi, Secretary Shultz made it clear that United States participation in further replenishment of the Association depended upon the approval of Congress. I am sure you understand that the care he took in emphasizing the essential role and prerogatives of the Congress in no way implies that the replenishment is not regarded as important by the Administration. We do so regard it. However, I am also convinced that effective participation in these institutions must rest on a cooperative partnership of the Executive and the Congress in which both carefully appraise and support the value and wisdom of the expenditure. I feel confident that after full consultations and deliberation, the judgment of the Congress will coincide with my own that the IDA replenishment deserves our full support.

I am encouraged by and appreciate the spirit of bipartisan statesmanship reflected in the offer in your letter to cooperate with the Administration in handling legislation for the multilateral institutions. We will be working with you closely.

I recognize that there are competing needs for the resources we have available, and that international programs must hold their own within a framework of priorities. In my judgment, replenishment of IDA is solidly justified in terms of the totality of competing demands on our budget, and Secretary Shultz has successfully negotiated terms and conditions for the replenishment that met our essential objectives, including a reduced share of the funding by the United States. I will shortly be transmitting proposed legislation, which I hope your Subcommittee will consider promptly. I will work with members on both sides of the aisle towards passage of that legislation, and am asking White House and Treasury people to do likewise.

With your continued personal interest and support, I am confident that together we can achieve a legislative result consistent both with the responsibilities and the capabilities of the United States.

Sincerely,

RICHARD NIXON.

FUEL OIL EXPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN), is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, I am releasing today the results of an investigation of petroleum exports by the Cost of Living Council in which the Cost of Living Council predicts 53.3 million gallons of fuel oil will be exported from the United States during 1973.

This 53.3 million gallons represents a 284 percent increase in fuel oil exports in the past year.

I originally sought an inquiry from the Cost of Living Council after I learned from trade press reports that large amounts of fuel oil were being exported to Europe despite the fuel oil shortage at home. The Cost of Living Council confirms these charges that fuel oil exports were occurring and notes that 8.4 million

gallons were being exported during August at a price of $6.73 per barrel. The oil was exported to Denmark and Panama.

The price of $6.73 represents a 145-percent increase in the average price per barrel last year.

Apparently, the lure of big profits is persuading major oil companies to export desperately needed fuel oil despite the shortage. It is nothing less than a total disregard for the welfare of the American consumer that leads to these tremendous exports of fuel oil during the shortage.

It should be noted Mr. Speaker, that many apologists from the oil industry that the amount of fuel oil is insignificant. However, during a shortage it is absolutely necessary to use all the fuel oil which is available to U.S. consumers. I would much prefer to see a factory or school stay open in some small midwestern town for the entire winter rather than export fuel oil overseas.

Mr. Speaker, on June 20 I offered legislation to immediately clamp down on exports of propane, gasoline, and fuel oil exports. I am now offering this legislation for cosponsorship and hope that in view of the seriousnesss of the crisis we face, that my colleagues will join me in forcing a halt of exports during the shortage.

The Cost of Living Council report follows:

HEATING OIL EXPORTS

SUMMARY

(1) This report is based upon research of Industry Associations and available U.S. Statistics.

The statistics compiled for this report do not specifically identify No. 2 heating oil exports since none of the available statistics segregate that item. The available statistics also do not segregate exports which return to the U.S. after foreign processing. Additionally, Federal Regulations do not allow the U.S. Census Bureau to divulge the identity of firms involved in transactions. For the purposes of this report, the available statistics are a combination relative to No. 2 heating oil, No. 4 heating oil and light diesel fuel, all of which are categorized together in the U.S. Government Schedule "B" of classifications. This Report consists of a comparative analysis of total domestic distillate production, volume of distillate exports, sales value of exports, the average price per bbl of the exports, and the port of export and destination of substantial 1973 exports.

(2) An analysis of the available data reveals that although the export figures indicate that 1973 totals will drastically surpass 1972, comparison of these figures with the totals for 1969, 1970, and 1971 reveals that in volume of bbls, 1972 was depressed year, and the rise in 1973 appears to be a return to a historical export level. In terms of percentages the 1973 projected volume of bbls is only 69% of the 1969 total. In contrast, the total value of the 1973 projection is 113% of the 1969 total value, while the average price per bbl in 1973 is 164% of the 1969 average price per bbl. The monthly export figures for the period January–August 1973 do not indicate any consistent pattern in regard to volume. It is also considered significant from an impact point of view that when compared with total distillates produced the export volume ranges from .04% to .2%. This is given further significance when it is realized that distillates account for only slightly over 22% of refinery production. Additional research developed that the majority of exports originated from Galveston and Port Arthur, Texas, with one shipment originating at Seattle, Washington. The destinations of the majority of the 1973 volume were Mexico, Netherlands Antilles, Denmark and Japan.

(3) This portion of the report concerns the volume of exports and dollar value of sales for 1969, 1970, 1971, 1972, and the first eight months of 1973; and a projection of total exports for the full year 1973.

Year	Volume, barrels	Total value	Dollar average, per barrel
1969	1,859,825	$6,567,645	$3.53
1970	1,444,525	4,329,902	3.00
1971	1,858,471	7,909,468	4.25
1972	448,433	1,797,960	4.01
January-August, 1973	850,067	4,934,185	5.80
Projection, 1973	1,275,101	7,401,278	5.80

When the 1973 projections are compared on a percentage basis to the actual figures for 1969, 1970, 1971 and 1972, the result is the following tabulation which depicts the percentage relationship of the 1973 projection to the indicated year:

[In percent]

Year	volume barrels	Total value	Dollar average
1973/1969	69	113	164
1973/1970	88	171	193
1973/1971	69	94	136
1973/1972	284	412	145

(4) This portion of the report is a monthly tabulation of exports for January-August 1973 depicting volume and average price per bbl.

Month	Volume, barrels	Average price, barrel
January	256,618	$5.01
February	22,495	6.66
March	4,429	3.95
April	123,012	6.05
May	5,586	4.43
June	196,928	5.80
July	40,926	5.44
August	200,073	6.73

(5) This portion depicts the export figures for 1971, 1972, and the first six months of 1973 in comparison to both the total domestic distillates produced and the average percentage breakdown for total distillates of total U.S. refinery production per bbl.

Year	Export volume, barrels	Percent of total distillates produced	Average percent refiners produced
1971	1,858,471	0.2	22.05
1972	448,433	.04	22.21
January-June 1973	609,068	.1	22.30

(6) This portion of the report depicts the destination, volume, and port of shipment for the majority of shipments during the months of January, April, June and August 1973:

Month	Destination—port	Volume, barrels
January	Mexico—Galveston, Tex	60,346
	Netherlands-Antilles—Galveston, Tex.	195,812
April	Mexico—Galveston, Tex	113,647
	Denmark—Port Arthur, Tex	
June	Mexico—Galveston, Tex	128,695
	Japan—Seattle, Wash	60,000
August	Panama—Port Arthur, Tex	49,228
	Denmark—Port Arthur, Tex	148,221

LET US WORK TOGETHER TO CONSERVE FUEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the energy squeeze is on. For months, national attention has focused on long-range ways to increase our supply of oil. Now with the severe reduction of imports, we find ourselves in a real emergency.

The only way we are going to avoid serious trouble this winter is to cut back drastically on our consumption of energy. It is not time to cast blame for past mistakes; we must all cooperate in a serious program of energy conservation. This is the time for all of us to work together to save fuel.

VAST POTENTIAL FOR ENERGY CONSERVATION

The goal can be met. Experts tell us that as a nation, we waste up to a third of the energy we consume. They tell us that much of this waste can be avoided without jeopardizing our standard of living. Such a national effort will not be easy. It will require the conscientious dedication of every citizen. We are all energy consumers, and we are all responsible for the well-being of our country. Beginning today, right now, each one of us must become conscious of our own energy consumption. We can do this in two ways:

First, in our purchase of appliances, automobiles, and houses we should select the most energy efficient products which meet our needs; and

Second, we must begin to cut back on our day-to-day consumption of energy by taking a number of small, easy, shortcuts to energy efficiency.

To encourage the steps that we all must take, I would like to include a listing of helpful suggestions to use energy more efficiently.

TRANSPORTATION

Transportation consumes 25 percent of our national energy. In the past we have paid little attention to the efficiency of various ways of travel. For example, we have spent billions of dollars constructing highways while mass transit and railroads have deteriorated. As the table below illustrates, there are huge differences in the efficiency of various transportation methods. In the years ahead, we will have to keep these differences more clearly in mind in planning our transportation system:

TABLE 1.—ENERGY CONSUMPTION FOR TRANSPORTATION MODES

	Btu per passenger mile		Btu per ton mile intercity freight
	Urban passenger	Intercity passenger	
Bicycles	180	----------	----------
Walking	300	----------	----------
Buses	1,240	1,090	----------
Automobiles	5,060	4,250	----------
Railroads	----------	1,700	680
Airplanes	----------	9,700	37,000
Trucks	----------	----------	2,340
Pipeline	----------	----------	450
Waterway	----------	----------	540

SAVE GASOLINE

First. Avoid using your automobile unnecessarily. Over 54 percent of all car trips are less than 5 miles. Consolidating your trips will cut down on your auto use. In addition, for years doctors have been telling us that walking is healthy. We should all learn to walk more. More of us should also consider using a bicycle—it is the most efficient way of getting around town.

Second. Take public transportation, where possible. Although schedules and routing are often inconvenient, the first step to improvements is an interested ridership.

Third. Develop a car pool for commuting. Next time you are on the freeway, count the number of cars with only one rider. Better yet, count the number of cars with more than one rider. Car pooling is not only energy efficient, it is also economical and a good answer to the problems of freeway congestion and auto pollution.

EFFICIENT AUTOMOBILES

Gasoline for our automobiles accounts for over 14 percent of our national energy budget. In recent years car efficiency has declined by over 20 percent—and only part of this reduction can be attributed to pollution controls. American automobiles have become heavier, more powerful, and loaded with optional equipment—and this all cuts down on mileage.

First. When buying an automobile, do not overestimate your auto needs. Excessive weight, optional equipment, and large engines all contribute to low gas mileage. The table below illustrates the annual gasoline costs of an inefficient automobile.

COST OF DRIVING A CAR FOR 1 YEAR (ASSUME 10,000 MILES)

Price per gallon	Miles per gallon													
	32	30	28	26	24	22	20	18	16	14	12	10	8	6
$0.37	115.62	123.32	132.13	142.30	154.18	168.17	185	205.57	231.25	264.37	308.32	370	462.50	616.68
$0.38	118.75	126.65	135.70	146.15	158.35	172.71	190	211.13	237.50	271.43	316.65	380	475.00	633.35
$0.39	121.88	129.99	139.27	149.99	162.51	177.26	195	216.68	243.75	278.58	324.99	390	487.50	650.01
$0.40	125.00	132.32	142.84	153.84	166.68	181.80	200	222.24	250.00	285.72	333.32	400	500.00	666.68
$0.41	128.13	136.65	146.41	157.67	170.85	186.35	205	227.80	256.25	292.86	341.65	410	512.50	683.35
$0.42	131.25	139.99	149.98	161.53	175.01	190.89	210	233.35	262.50	300.01	349.99	420	525.00	706.01
$0.43	134.38	143.32	153.55	165.30	179.18	195.44	215	238.71	268.75	307.15	358.32	430	537.50	710.62
$0.44	137.50	146.65	157.12	169.22	183.35	199.98	220	244.46	275.00	314.29	366.65	440	550.00	733.35
$0.45	140.63	149.99	160.70	173.07	187.52	204.53	225	250.02	281.25	321.44	374.99	450	562.50	750.02
$0.46	143.75	153.32	164.27	176.92	191.68	209.07	230	255.58	287.50	328.58	383.32	460	575.00	766.68
$0.50	156.25	166.65	178.55	192.30	208.35	227.25	250	277.80	312.50	357.15	416.65	500	625.00	833.35
$0.60	187.50	199.98	214.26	230.76	250.02	272.70	300	333.36	375.00	428.58	499.98	600	750.00	1,000.02

Second. When you drive, keep your car tuned and your tires inflated. When you replace your tires, think about radial tires. They generally improve gas mileage by as much as 10 percent.

Third. After starting your engine, warm it up while moving. An idling car is getting zero miles per gallon. In addition, shut off your car if you are stopped for over a minute or so.

Fourth. Do not become overly dependent on your air-conditioner. Under extreme conditions, air-conditioning can waste up to 20 percent of your gasoline. Use it only when you really need it. Also think about setting the thermostat a little higher than normal.

IN THE HOME

First. Proper insulation will not only save you money in winter; it will also make your home easier to keep cool in the summer. The exact amount of insulation depends on the climate. But a good rule of thumb can be found in this table:

SOURCE OF HEAT

[In inches]

	Gas or oil	Electric
Wall insulation thickness	3½	3½
Ceiling insulation thickness	3½-6	6-9

In checking the insulation of your home, pay particular attention to uninsulated attic floors. Here insulation can be installed easily in most cases.

Second. A recent study by the Department of Housing and Urban Development revealed that the greatest loss of heat from a house comes ordinarily through the infiltration of outside air. To cut down on this heat loss, install storm windows and doors where possible. A less expensive way to insulate windows is to seal them with clear plastic sheeting. Plastic sheeting will also help in attic insulation. Heat leaks can also be prevented by using caulking and weatherstripping around windows and unused doors.

Third. Close drapes and shades in unoccupied rooms and during exceptionally cold periods. This will minimize heat loss through windows—but even on the coldest day, the sun shining through a window can help heat the room.

Fourth. A properly serviced heating system is more efficient and saves fuel.

Fifth. Set your thermostat lower in the winter. A one degree reduction can reduce fuel consumption from 3 to 4 percent. Reducing the setting by 5 degrees—say from 75 to 70 degrees—will save you 15 to 20 percent.

Sixth. Lower the thermostat at night.

Seventh. Close the damper of your fireplace if you are not using it.

Eighth. When buying a home try to remember these facts: An additional investment in energy efficiency will be more than paid back in lower fuel costs over the life of the house. Make sure your new home is properly insulated and is equipped with efficient heating and cooling systems.

Shortly, solar heating will be able to provide reliable, economical, and pollution-free energy. In buying a house, consider the adaptability of the roof and grounds to this coming new technology.

SAVINGS ON APPLIANCES

First. Check the efficiency of the appliances you buy. The Commerce Department is requesting that manufacturers voluntarily list the efficiency of their products. One way to insure that this program is successful is through consumer pressure for full disclosure of the energy costs of operating an appliance.

Second. A recent survey of air conditioners shows how important efficiency can be. Appliance manufacturers, in an effort to cut initial costs, often build inefficient products. For example, today there are over 1,400 models of air conditioners on the market sold under 52 different brand names. The least efficient unit consumes 2.6 times more electricity per unit of cooling than the most efficient.

A convenient way to check the efficiency of the model you plan to buy is to divide the number of watts listed on the label into the Btu's per hour rating. The answer will vary ordinarily between 3 and 11. The higher the number, the more effiient the unit. A number around 7 is considered good.

Third. Defrost your refrigerator when the ice on the wall becomes one-fourth inch thick. A thick ice coating cuts down on the efficiency of the cooling coils of the freezer. When buying a new refrigerator, keep in mind that a self-defrosting model consumes 50 percent more energy than a standard model.

In addition, every time you open the refrigerator door, up to 80 percent of the cold air is lost.

Fourth. In selecting a freezer or refrigerator/freezer combination you should know that upright models are less efficient by as much as 45 percent.

COOKING

First. When cooking, use pots and pans that completely cover the heating element. Heat that is not directly under the pan is wasted. Also, remember that every time you open the over door 20 percent of the heat spills out.

WASHING

First. When washing clothes, always wash a full load; you save on the total number of washings that way. When drying your clothes, avoid overdrying—it uses fuel and tends to wrinkle your clothes.

Second. Try to cut down on your use of hot water. The thermostat on your water heater should be set between 110–140 degrees. Second, in washing dishes, wash them by hand in warm water, when possible. If you use a dishwasher, make sure you use a full load. Third, clothes can be

cleaned in cold water with a cold water cleaner. Finally, when you bathe, a shower uses generally less water than a bath.

LIGHTING

First. Take care of your eyes—but, most of us use more light than we really need to. It pays to turn off unnecessary lights and use natural light when possible. There is another interesting fact to remember: A fluorescent bulb uses one-sixth the energy of a conventional standard incandescent light bulb.

These procedures together with energy research to develop new forms of clean energy will move our country through this crisis. It is totally American to be provident and self-sufficient.

THE HEALTH RIPOFF WORSENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BRASCO) is recognized for 5 minutes.

Mr. BRASCO. Mr. Speaker, while the average American watches the front pages and evening news reports with growing alarm and apprehension, quietly and ominously, another situation, already serious, has grown still more out of hand. In the area of health care and costs, recent months have been marked by one increase after another. Cumulatively, the caveat reading "Don't Get Sick In America" is truer than ever before. It will cost you more and you will receive less. No worse personal tragedy can be envisioned for the overwhelming majority of American citizens. Worse still, it is being accelerated by a series of Government actions.

The national health insurance plan has been scrapped after all the early fanfare. The drive announced in 1972 to increase the number of doctors, dentists, and paramedics has foundered on an ocean of budget cuts insofar as Federal aid to medical and dental schools is concerned. The National Institutes of Health have been harmed down the line, with two exceptions, as a result of budget cutbacks. Bookkeeping legerdemain has substituted for actual dollars in the actual amounts being committed by the Government to these crucial areas.

Even the national commitment to HMO's, or health maintenance organizations, has been watered down after many promises to move ahead on such a comprehensive potential solution. Through it all, the dead hand of the American Medical Association has clutched at the sleeve of government attempting to prevent vigorous experimentation on behalf of the people.

The head of the President's war on cancer, Dr. Frank Rauscher, has publicly warned that the existing cancer budget will not allow the research work required to pursue leads which might result in the saving of untold numbers of lives. A number of promising programs are endangered by governmental parsimoniousness in these areas. Among these programs are some which are concerned with moving the latest improvements in the cancer area to the bedside of patients as swiftly as possible.

Impoundment has been used by the Government as yet another weapon in what incredibly emerges as a deliberate attempt to harm the total health care delivery system in the Nation. National defense education funds have been impounded and repeated attempts have been made by the Government to close down the eight Public Health Service hospitals, including one in the New York area. At a time like this, closing down any viable hospital care facility seems the negation of what we are trying to accomplish.

Even Government specialists in this area have publicly admitted that increases in medicare costs for the aged and termination of key programs are not realistic. As a result, projected savings of $1.8 billion are not going to be realized, while much needless suffering is inflicted on many innocent Americans.

Most reprehensible of all are the attempts by Government to completely wipe out a series of essential and effective programs, such as community mental health centers, Hill-Burton hospital construction funds, and regional medical programs, all of which have scored resounding successes in delivering vital care and services to those requiring them.

When the Congress attempted to reverse this tide of negativism, it was rebuffed. For example, why in the name of all that is sensible was a $185 million program, designed to improve emergency medical service across the Nation vetoed? The Government had listed this program as one of its priorities. Now it has been vetoed, and the veto has not been overriden. Here we have a vital, successful endeavor, which has saved uncounted lives, and could save many, many more.

Yet in recent weeks, the pace of negativism by Government in the health field has increased appreciably. One warning given was that all Government aid to health manpower education will be coming to an end as soon as possible. Yet we have an acknowledged and much bemoaned shortage of all kinds of trained health manpower. This is true of doctors, dentists, nurses and all other related fields. As a matter of sad fact, more than half of all doctors licensed to practice medicine in this country last year were foreign-born and trained. Foreign physicians, seeking high incomes, are abandoning practices in foreign lands and coming here. Yet we will not turn to and increase levels of assistance to increase our own supply of trained medical and related personnel. Recently, an HEW official of the highest rank publicly stated before the Association of American Medical Colleges that such aid was very much in jeopardy.

Last month the announcement was made that the Nation's 25 million elderly will have to pay $84 toward their hospitalization commencing January 21, instead of the current $72. This is more than double the $40 paid by beneficiaries when the program began in 1966. The Cost of Living Council, humorously termed the watchdog of consumer interests, approved the move, which was announced by HEW.

Because of the change in the hospital deductible, the law also requires changes in amounts a beneficiary pays toward hospitalization care of more than 60 days or after hospital care in a skilled nursing home for more than 20 days.

What are the elderly people of the land going to do? Most of them live on fixed incomes, ravaged by growing inflation. Price hikes like this make a mockery of the increases in social security pushed through by the Congress. They eat away all the benefits we try to extend to them, making life even more frustrating and cruel to them. The few dollars for millions of them are the difference between a decent diet and hunger or malnutrition.

To compound the situation, the Cost of Living Council has now just approved proposed new price regulations for the health industry, which will allow hospital bills to rise another 9 percent annually. Although public comment is invited, no one seriously doubts that the proposals will drastically change between now and final January promulgation.

What we have now, then, is a cumulative series of setbacks for the public in the health areas. Fewer crucial segments of research will be pursued. Fewer special medical services beneficial to the public will be provided. And on all sides, while receiving less and less, the cost to the average user of health services will escalate, escalate and escalate again, with the older American bearing the brunt of all this.

Here is a syndrome which inevitably affects all of us eventually and inevitably. None can escape. It is for the Congress to have the courage to override the next veto of health care services and to insure that all such cuts and impoundments are prevented.

Impoundment is an artificial, unconstitutional method used by those who would arrogate unto themselves power not specificially granted to them by the law. Vetoes can and should be overridden when they harm the well being of the Nation. In both areas, all that is required is that Congress do its basic, essential job; protect the public interest. No one can tell me that allowing such services to be cut is responsible or in the public interest.

ISRAELI PRISONERS OF WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, sick and wounded Israeli prisoners of war remain in the hands of Egypt and Syria. They are being used and abused as political bargaining chips. This is an unconscionable situation. The Israelis have offered to conform to the Geneva Convention and exchange the sick and wounded prisoners they hold. Egypt and Syria refuse. The Israelis have permitted the International Red Cross to visit their prisoners. Egypt and Syria have not. Indeed, they have not yet, to my knowledge, released a complete list of Israeli

prisoners they hold. Instead they have issued a series of public and private assurances which are so far little more than rhetoric. Rhetoric is no comfort to the men waiting in misery behind enemy lines or to their families waiting at home in the awful agony of not knowing.

On October 29 I wrote to Secretary of State Kissinger to urge that he raise these issues with the Arab nations. He has since assured me, as has Assistant Secretary of State Joseph Sisco, that the U.S. Government has and will continue to press for the humane treatment and speedy release of prisoners in conformance with the Geneva Convention. Congress has the responsibility to add its voice and the weight of its influence to the sum of world opinion that these negotiations progress swiftly, that Egypt and Syria forthwith live up to their legal and moral obligations as set forth by the Geneva Convention, and that the exchange of sick and wounded prisoners begin at once.

Today I am introducing a resolution calling for Egypt and Syria to heed the terms of the Geneva Convention of August 1, 1949, with regard to prisoners of war, and for Egypt and Syria to accede to Israeli's offer of an immediate exchange of prisoners among the countries. I urge my colleagues to join me in this humanitarian appeal.

The text of the resolution follows:

Whereas the International Red Cross has not been given permission to visit Israeli prisoners of war in Egypt and Syria; and

Whereas the governments of Egypt and Syria have not provided the International Red Cross with requested information about the names and condition of the prisoners they hold; and

Whereas the governments of Egypt and Syria have refused to release seriously sick Israeli prisoners of war; and

Whereas the above actions by the governments of Egypt and Syria are in violation of international legal obligations provided for in the Geneva Convention of August 12, 1949; and

Whereas the government of Israel has complied with the Geneva Convention of August 12, 1949 by allowing the International Red Cross to visit Egyptian and Syrian prisoners of war; by supplying the International Red Cross with lists of the prisoners it holds; and by offering the immediate release of seriously sick Egyptian and Syrian prisoners of war in exchange for the immediate release of seriously sick Israeli prisoners of war; and

Whereas the government of Israel has offered to comply with any reasonable plan for mutual exchange of prisoners between Israel, Egypt, and Syria; and

Whereas the American people are shocked and disturbed by reports of maltreatment of Israeli prisoners of war: Now, therefore, be it

Resolved, That it is the sense of Congress that the Executive branch of the American Government continue its efforts to ensure that the International Red Cross be allowed to visit Israeli prisoners of war in Egypt and Syria as required by the Geneva Convention of August 12, 1949; and that the governments of Egypt and Syria provide the International Red Cross with information required by the Geneva Convention of August 12, 1949; and that the governments of Egypt and Syria immediately release all seriously sick prisoners of war in exchange for Israeli release of all seriously sick prisoners of war as required under the Geneva Convention of August 12, 1949; and that an immediate exchange of prisoners between Israel, Egypt and Syria be negotiated.

SLOVAK DAY, 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, it is with great pleasure that I call to the attention of my colleagues an address given recently by Dr. Michael Novak at the Slovak Day celebration at Roduljub Park in Johnstown, Pa. Dr. Novak is currently a consultant for the humanities at the Rockefeller Foundation in New York and has demonstrated through his speaking and writing his belief in the need for a political and educational revolution in the United States.

While he inspired Americans of Slovak descent to greater efforts to obtain positions of responsibility and influence in this address, Dr. Novak also focused on some general comments on government which should be of interest to all of us.

In the light of the current uncertainty in our Government his words are especially timely:

It is wrong in a democracy, merely to trust the government. Governments must be watched. Governments are not made to be trusted, but to be made accountable.

Mr. Speaker, Dr. Novak's speech in its entirety follows, a stirring reminder of the responsibility of each citizen for the path his country takes.

SLOVAK DAY, 1973

Just one hundred years ago began one of the greatest mass movements of human history. Over thirty million Europeans exited from the doors of their homes and fled toward America. There were then over two million Slovaks in that beautiful land of Central Europe, around the lakes in the Tatra Mountains, in sight of ancient castles, in the mountains and rolling hills beyond Bratislava. Over two million Slovaks—of whom more than one-third felt obliged to leave their homes. After a thousand years of endurance, from the time of the first King of Central Europe, the Slovak, Svatopluk, in 893; after a thousand years of assassination and murder and plunder at the hands of Attila, Genghis Khan, the Turks, and in every century others; after a thousand years of bravery, family love, and a longing for independence and peace—one out of every three Slovaks bade good-bye to the mountains they loved, the parents who had nourished them, brothers and sisters, friends—and they fled for Argentina, for Canada, and for America.

The great industrialists of America wanted Slav laborers. They respected them as hard workers, tougher than others perhaps, more reliable, more docile, and better able to make do with less. They wanted Slav labor in order to bring wages down and to keep the workers of America divided. Remember, for example, that the black people of America were first freed from slavery not long after many of our ancestors were freed from serfdom—in 1863. One hundred years ago, many of those blacks who fled north were just beginning to find jobs. The white American workers were just beginning to rebel against the great industrialists—the first great labor union strikes were just beginning. This was the jungle into which our grandparents were brought. It was part of a policy of "Divide and Conquer." Put national group against national group. The wealthy got wealthier. Think of the families that own the mines and mills and the lands of America. How staggeringly rich many are. All across America, in valley after valley, place after place, there are one or two families of predominant power and wealth. The American system is more like the system of Europe than we realize—we have our barons, dukes, and lords—the owners of television stations, newspapers, and the owners of the politicians, too.

Remember, too, the lives our people led in America. For working twelve hours in a mine, six or seven days a week, a man might take 20 cents a day, and find himself at the end of the month owing more to the company store than he had earned. Boys of 8 or 9, sometimes beaten with whips, stood at the colliery sorting slag from the coal. Six or eight persons slept in a room. At Latimer Mines, near Hazleton, in 1897, sheriff's deputies fired into a crowd of peacefully marching Slovak miners, with an American flag at their head. They were on strike. No one heard an order to disband. Many could not have understood an order in English in any case. When the seventy deputies—none of them Slavic—finished firing, twenty Slovaks and Poles lay dead, most shot in the back, and another thirty wounded. The Hungarian government protested; huge protests were held in New York and Chicago. Naturally, the deputies were acquitted.

In Connellsville, in Uniontown, and in Pittsburgh, Slovaks were shot down in strikes. In 1891, at Morewood, seven were shot. Two weeks later, in Fayette county, one Slovak man and one Slovak woman were shot, as workers were being evicted from company houses. In Adelaide the same day, two Slovak women were shot.

Why do I bring these sad events to mind? Because I do not wish to forget. Today we enjoy a happy picnic. Today, more and more in our generation are highly educated. Today, more and more among us are prosperous—not many rich, not many millionaires, not many among the powerful: on boards of directors, or high in government, or the military, or the corporate world. We are not among the powerful in America. But we have very much to be thanful for. And, if the truth be told, after so many years of disaster, perhaps we are happy not to be placed too high, so that sudden tragedy cannot make our fall too steep. Slovak people are known for a sort of modesty—content to live on little, if only they be free.

There is, the books say, a certain peaceableness about the Slovak character A certain quiet, long-range optimism, borne of the knowledge that our people have seen worse than this—that, no matter how bad things get, we are familiar with disaster. Tragedy is our nation's brother. The Slovak people stood for over a thousand years under the attacks of invaders—always the invasions would recede, and the Slovak farms and towns and families would remain. Western Europe owes much of the peace and space it has enjoyed to the defenders of the Tatra mountains and the Danube, on which almost century after century new invaders from the East or South or North have spent themselves.

Today I want to remember all the suffering that brought us this place. Perhaps all of you have sharper memories than I. You remember the men going to the mines, and coming back. You remember the conditions in the mills. You remember the explosions. You remember the mangled fingers, the shattered knees. You remember the outbreaks of influenza. You remember the infants that used to die.

Above all, perhaps, you remember the prejudices there used to be against the Slavs. Even on the Statue of Liberty, the words that greeted the immigrants were: "Welcome—ye wretched refuse of the earth." In other words, ye garbage. I've always been

grateful my grandparents couldn't read English when they sailed into Ellis Island, the water lapping against the sides of those wooden or plated ships. And they were called other names: Huns, hunkies, etc. They were pictured in the newspaper cartoons as rats and apes. They were called scum, and it was said they were dirty and strange, and their women wore black babuskas, and none of them were ready for democracy, and they would lower the quality of the nation's blood.

We shall never forget, I believe, that this nation welcomed our grandparents and gave them a chance. We should never forget what they met when they got here, and what they did for us. . . .

But I don't only want to think about the past. My own thoughts are toward the present and the future. Why, in Pennsylvania and elsewhere, are Slavs so poorly represented among those of power and money and influence? Why have we still so few writers and artists and television personalities? Why don't we cut a greater mark than we do, politically?

Do not misunderstand. I say these things gently, not in blame. Remembering where we were, we have come very far. And it takes time, even in a nation like this, to penetrate the places of power. And I do not mean for power's sake. It is not obvious that power makes people happy—or good—or admirable.

What I mean is that the nation needs some of the things our hearts tell us, some of the things our history has taught us. We are a people of enormous spiritual wealth, which our new nation needs.

What is our wealth? Above all, it is a sense of family, and home, and neighborhood. The Slovaks understand picnics like this—family picnics. Why is it, then, that the policies of our government and our corporations penalize families so much, rather than helping them? The great industries of this nation do not think first about the welfare of families. They do not design their factories, or their schedules, or their openings or their closings down with the good of families in mind. The government does not supervise medical costs or medical practices with the needs of families in mind. Almost everything in American life is distinctive of families. Keeping a good, healthy family is a full-time job—much harder than making money. America makes it easier for our people to make money than to keep healthy families.

America is a great danger for the Slovak public. It gives us money and wealth. Slovaks are not the richest Americans, by far. But when you look at the automobiles owned by every family here, they are better than the coaches Janosik used to rob—the coaches of the barons or dukes, in order to give to the poor.

In one more generation, the Slovak spirit may be dead in America. Soon, most of those who speak Slovak will be dead. Fewer and fewer of our young people know the history of Slovakia. I never learned about Slovakia in public schools or in college. . . . What about in the high schools of Johnstown, Uniontown, Pittsburgh, and Cleveland—what are our young people learning? What is becoming of them?

The Slovak people are so enormously trusting. They trust the government. They trust the universities. The schools. They obey the law. They pay their taxes. And they trust. After a thousand years of distrusting governments, in this country they began to trust. America has been good to our people. But we should not be deceived.

For over a thousand years, one thing held the Slovak people together—their love for their language. The Slovak language was the center of the life of the people. The Magyar tried to drive that language out of existence. Some 500 Slovaks were arrested in the 1870's, and put in jail, for speaking Slovak in public.

Now in America, in less than three generations, the language is disappearing. Knowledge of Slovak history is not taught. What the Magyar could not do with vinegar, America has done with sugar.

In the big cities, too, the leaders of government and industry abandoned the Slovak neighborhoods and churches. Visit these parishes today—isolated—alone—surrounded by factories or expressways or slums. People did not move out of these neighborhoods by accident. The policies of our government and industry drove them out—policies forcing people into the suburbs, making neighborhood life less attractive.

My purpose is not to lay blame. It is only to urge all to act with open eyes. It is wrong, in a democracy, merely to trust the government. Governments must be watched. Governments are not made to be trusted, but to be made accountable. In my opinion, the Slovak people in America have not been well served by the government.

When I look over the faces of this crowd, I wonder about all the stories your lives represent. Think of the history of your family over the last 100 years. What stories there are! What disaster, what war, what illnesses and accidents, what moments of luck and achievement.

Many of these stories will perish if we do not care for them. The world will never learn of them. We must try to get the historical societies and the universities and the high schools and the television stations and the newspapers to collect this material and to mind it. If you have old letters in your house, old newspapers, old books—do not destroy them. The Archives of Pennsylvania and universities need them. Please save things. Please get grandparents to tell or tape what they remember.

Secondly, we must put pressure on the schools. How many historians have told the story of the Slovak people (and other Slavs) in America? How many social scientists? How many literature courses teach Slovak children the novels of Thomas Bell (Belejcak)? The universities belong to us. They should keep our traditions alive.

Thirdly, in politics, I beg you to think carefully. It does not seem to me that we Slovaks have yet made our mark in politics. We have not been as smart as we ought to be. We have been taken advantage of. Above all, we have not organized and shown really great political skills. We have to do better in the future. I'm not sure how. But let's at least keep our eyes open for young talent—push it—help it.

Leads me to young people—great to see so many young faces—long hair—short skirts—the things of youth and love and rebellion and song are very Slovak. Think of Janosik—he was visiting his girl friend when he was caught. . . .

Young people are different. Each generation is different. Immigration is a hundred-year story. We haven't even begun to make our contribution yet.

THE NASHVILLE BANNER'S "YOU DECIDE" IMPEACHMENT POLL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON) is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, over recent days there have been many measures of public sentiment on the subject of support for or against the President. My own mail and phone calls have run heavily against President Nixon. The latest count total as of this afternoon of letters and telegrams show 1,585 against and 125 for.

These figures are in no way a scientific sampling of the sentiment in my district. They do, however, reflect the views of those who felt strongly enough about the issue to write or call their Congressman.

Conversely, the Nashville Banner over recent days has been conducting a ballot poll on the same question and its findings run sharply contrary to my mail.

The Banner, also, makes no claim of scientific sampling and its publisher, Mr. Wayne Sargent, goes to very objective lengths to point this out.

Thus while neither the Banner's poll nor my mail may necessarily reflect true public sentiment on this issue—who is to say—both are of interest.

I feel the Banner poll findings to be quite interesting as well as the comments and story reporting them. Therefore I ask unanimous consent to place this material in the RECORD at this point and commend it to the consideration of my colleagues.

71 PERCENT IN "YOU DECIDE" POLL SAY "DON'T IMPEACH"

(By Larry Brinton)

President Nixon should not be impeached. That's the opinion of 71 per cent of the 5,434 readers of The Nashville Banner voting in this newspaper's new You Decide feature.

The question was "Should the President be impeached?" The vote was 3,878 against, 1,545 in favor and 11 undecided who mailed ballots anyway.

The President scored heavily on his domestic and foreign policies and his Vietnam War successes, according to ballot comments. However, many of those voting against impeachment were not nearly as concerned with the issue as they were in vehemently castagating those whom the voters felt responsible for Nixon's problems—mainly a blasted news media and Sen. Ted Kennedy (D-Mass.).

CAN NO LONGER BE TRUSTED

The 1,545 persons voting for the President's impeachment in You Decide charged in their comments that the Chief Executive can no longer be trusted and has lost his ability to govern.

Told of the numerous detrimental comments made by the voters against Sen. Kennedy and asked for a comment, the Massachusetts Democrat's press secretary, Dick Drayne, in Washington, said:

"What did Sen. Kennedy have to do with the attempted subversion of the Department of Justice, CIA, FBI, Secret Service, Department of State and the U.S. Constitution? If you find Sen. Kennedy guilty of those sins, I'll be surprised. Those are Nixon Administration devices and he'll be judged on that basis."

There were some interesting facets about the You Decide balloting:

—The vote on the impeachment question closely paralleled the 69.5 per cent vote Nixon garnered statewide in the 1972 presidential election.

—Sixty-six per cent of the 5,314 ballot envelopes received by The Banner were mailed in Nashville. Votes were submitted from 50 Tennessee counties. There were some from Kentucky and one from Missouri.

—In November 1972, Davidson County voted 63 per cent for Nixon. The You Decide ballot showed 71 per cent against impeachment, with the majority of votes cast by Nashvillians. While the issue of electing a president and voting for impeachment are not the same, the distribution of votes indicates a probability that the President has increased rather than decreased his voter strength in Davidson County.

"We do not offer the results as a statistically perfect sample of voter opinion," explained Wayne Sargent, president and pub-

lisher of The Banner. "The Banner is conservative politically and has generally supported the President. We recognize the logic that readers of similar views tend to read The Banner and thus had greater opportunity to participate in the poll."

Sargent said, "But we are gratified with the tremendous response and recognize also that the larger the vote, the better statistical probability that it represents the true feelings of all the voters of the area.

"By contrast, Congressman Richard Fulton has been quoted in the media as saying the people he talks to in his district favor impeachment by as much as five to one. We believe You Decide results come much closer to the true voter sentiments. The parallel between our ballot and the results of last November's Presidential vote also indicate the people of this area have not reversed their position."

Ballots and envelopes showing mailing origin will be retained by this newspaper for six months. Access to the material will be made available to students, historical or political groups having legitimate interest and who wish to appraise or audit the results.

Newspapers across the country have conducted polls in recent weeks on the impeachment question. Some polls were conducted by mail, others by telephone and others by personal interviews. They have had varied results.

OTHERS TEST OPINIONS

For instance, a recent telephone survey of 267 persons by the Atlanta Constitution showed 59.6 per cent were against impeachment and only 28.4 per cent were in favor of impeachment proceedings against Nixon.

Nine days ago the Gallup Poll announced 55 per cent of 623 persons interviewed responded that Nixon should not be compelled to leave the presidency. A week earlier the Oliver Quayle organization said 44 per cent of 1,000 Americans favored impeaching the President, while 43 per cent were against the move and 13 per cent were undecided.

Newspaper polls in Cocoa, Fla., and Binghamton, N.Y., indicated a majority for impeachment. The Rochester (N.Y.) Times-Union reported their poll showed 48.5 per cent didn't believe Nixon should be impeached, 36.6 per cent were in favor of the proceedings and 14.9 had no opinion. Fifty per cent of the 303 persons interviewed said they felt Nixon should resign.

In The Banner's You Decide vote, there were a number of persons who believed that Nixon should resign, but that impeachment was not the solution. Some who voted for impeachment said they had rather see him resign.

FEATURE OF OP-ED PAGE

The You Decide feature printed its first poll ballot on Oct. 30 and the ballots appeared on the Op-Ed page for the next three days.

It was only two days after the first ballot was published that Nixon's lawyers admitted in federal court that two of the highly-publicized nine Watergate tapes never existed.

Oddly, this startling development had no effect on the day-to-day voting results.

The first batch of about 500 ballots received by this newspaper indicated 71 per cent of the readers were against impeachment. Ironically, this initial reading turned out to be the final vote percentage. The second day's mail of 600 ballots was 70.7 per cent against impeachment, the third day's mail of 1,600 ballots was 69.2 per cent against the President being impeached, etc.

The conclusion from this is that the announcement of the missing tapes didn't mean that much to the voters and the tapes were mentioned only sparingly in ballot comments.

A MAN GENUINELY CONCERNED

For the President, his voters found him to be a man genuinely concerned with the duties of running this country, or at least, the best statesman available. Two of the better 'against impeachment' comments which seemed to best sum up the consensus of those voters were these:

—It is the presidency, not the President, that is under assault. Destroy the President and you destroy Richard Nixon. Destroy the Presidency and you destroy the nation.

—Current hysteria by a wild-eyed, biased news media and opportunistic opposition party members is in no way a condemnation of the President. He is a great President conducting the work of his office in a calm, dignified way, despite vicious attacks.

Despite the many setbacks of the Nixon Administration, Nixon, himself, has kept his image at a high level in the eyes of many, as evidenced by the comments. "God Bless President Nixon," said one. "History will reveal the greatness of Nixon," said another. And still another said, "He should have received the Nobel Peace Prize."

PEACEFUL EFFORT HAILED

Some of the pro-Nixon voters were not so much concerned with what he has been accused of doing in the Watergate Affair and other investigations, but the good he has done in the past. "His accomplishments toward world peace far outweigh the charges made without proof by his opponents," read a ballot. "We re-elected him for four years. Let's keep him!!!"

Declared another, "Absurd. What has he done that has placed the country in peril or danger? Nothing . . . Watergate? . . . Phooey."

A voter asks, "What crime has the President committed? Name one politican who has not taken large contributions to be elected and promised something in return."

CONSIDER THE CONSEQUENCES

Three of the voters said the same things, only using different words, in reflecting their feelings. "In spite of his faults, we need him"—"Consider the consequences"—"We have no assurance that any replacement would do better."

The You Decide poll shows there are still plenty of people proud of President Nixon and would vote for him again, if given the chance. "I'm 68 years old and I think Richard Nixon is the best President during my time. I've voted for him three times and would be glad to vote for him again."

Those in favor of impeachment picture the President as a tyrant, dictator, thief, irresponsible, untrustworthy, God, immoral, irrational and a disgrace. Whether he actually committed a crime himself didn't concern a voter.

"Guilty or not he was responsible for the government. Birds of a feather flock together," the comment read. But, there also were comments from people who had seriously considered the situation. "To impeach is merely to charge before a proper tribunal," wrote one person. "It is a logical constitutional means to determine guilt or innocence. It is the best and most direct procedure to resolve the whole Watergate matter and to restore faith in our country."

GOD SAVE THE REPUBLIC

Along the same lines, another said, "At the very least we must have the House sit as grand jury to explore and investigate as provided by the Constitution. God Save the Republic!"

The voters who cast ballots for impeachment seemed to do so just as conscientiously as their opponents. "I am a mother and I try to teach my children right from wrong and how to be good citizens," wrote a woman. "I am fighting a losing battle when we have President Nixon."

The "for" comments go on, and on, and on. Examples are:

There is no reason to think that Nixon could answer the charges pending in criminal, civil or tax courts aside from his executive clemency.

I don't know if irresponsible judgment is enough reason to impeach a President, but it was enough reason for getting rid of a vice president.

Unless impeachment is pursued in this flagrant breach of trust, no future president will ever consider impeachment as a serious limitation.

Some of the voters used vulgarity in describing the President. It was also used to describe his opponents, many of them in Washington.

BIGGEST KENNEDY BASH YET

Sen. Kennedy drew the most. "Biggest Kennedy bash yet," was the way one voter explained the impeachment turmoil. "Since Mr. Cox was so anxious to tell Mr. Kennedy of his being fired, I only wish he had gone there to investigate Mr. Kennedy's past," said another. Here's another. "If anything needs investigating it was the 'Chappaquidic Affair'." And, another: "To hell with Ervin, Baker, Kennedy, Gore." Many were too libelous to publish.

KENNEDY DRAWS IRE

The media fared little better than the Massachusetts senator:

The credibility of the press is at its lowest ebb.

The news media should be censored. Should this country fail, the major cause would be the undermining by the news media.

The television networks should be controlled if they can't report news objectively. Get rid of John Chancellor and Walter Cronkite.

I am in favor of impeaching some news people. They should be held responsible for lies. I hate those three words—'from reliable sources.'

And what single quotation did the voters find solace the most in their support of Nixon? It was right in the Bible, John 8:7: "Let him without sin cast the first stone." They also found other verses to support the President, but John 8:7 was used scores of times.

The For Impeachment voters, likewise, were united in coining an expression. "He is not above the law," they commented frequently.

MIXED REACTION

The ballot comments brought mixed reaction. Some people voiced strong resentment that a newspaper would even take such a poll, as evidenced in the following quotes:

There are no grounds (for impeachment). By your even taking this poll you are joining the rest of the Kennedy-Cox lynch mob.

It saddens me that The Nashville Banner would dignify such an outrageous proposal by asking this question.

I think it's a shame and disgrace that the editor of this paper should allow such a "poll" to be taken.

Do you think that a poll such as this could be at all representative when you're soliciting replies from the basic conservative element?

THE ENTIRE ISSUE SEEMS SO PARTISAN

How much part did partisan politics play in the vote results? Probably a great deal. Those against impeachment of their President were most vocal about the Democrats. "The entire issue seems so partisan," said one person. "The Democrats are working hard to regain their popularity lost in the last presidential election. It's so sad to see these partisans stopping at nothing to fool the American public."

"Repeating what I said when Nixon was elected. He is the biggest mistake ever made in American history," was the way another described it.

How's about this one? "The Democrats are a sorry bunch. I have one at my house. They are stubborn, contrary and hateful most of the time." It was signed, "A 75-year-old youth."

Said another, "If President Nixon had beat me as bad as he beat the Democrats this last time, I would try to get rid of him, too." Here's one: "These narrow minded greedy Democrats will destroy our country." Oddly, the comment was made by a Democrat who added, "I love my country. The thought (of impeachment) is the epitome of stupidity."

Retorts a Republican: "I voted for him, so I feel partly guilty for the country's mess."

SHADOW OF DOUBT ON MANY

The present situation has cast a shadow of doubt on many, many politicians, according to the voter comments:

The only difference between what Nixon did and other politicians is he violated the Eleventh Commandment—thou shall not be caught.

Too much time, energy and money is being spent attempting to prove the Republicans are bigger liars than the Democrats. They're all a bunch of crooks.

He is no worse than his accusers. There is no such thing as an honest lawyer or politician. The only fault with Mr. Nixon is just being caught. All politicians are owned by the unions.

Maybe he is a crook, but then, what politician isn't? Even an honest man would wither under the onslaught of the press.

Most of the 11 voters who failed to be either "for" or "against" impeachment, either thought Nixon should resign or accidentally forgot to mark their ballot.

ON THE PRESIDENT'S ENERGY MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, last night, President Nixon delivered another energy message to the American people. In it, he outlined a number of belt-tightening steps to conserve energy this winter. Among them were lowering the thermostats in homes, schools, and businesses; reduction of speed limits; limitations on air travel, adjustment of work schedules and shopping hours; and relaxation of environmental standards. He also spoke of the possibility of outright rationing and heavy taxes on fuel use. According to Senator JACKSON, our leading expert in the Congress, fuel rationing is more a probability than a possibility.

I cannot quarrel with these measures. Given the present situation, they are necessary. In the long run, they may even have some positive effects, especially those measures designed to prevent some of the more blatantly-wasteful abuses of our energy resources.

But I cannot help feeling that the message was incomplete. The President only told half the story, and provided half the solution. The energy crisis was not created by suddenly gluttonous energy consumers. The growth of our energy demand has been remarkably consistent over the last 15 years—at about 3.6 percent a year. Nor was it caused by the recent events in the Middle East. As the President pointed out, he perceived our energy difficulties as early as 1971.

Rather, the energy crisis is the result of the combined mismanagement and miscalculation of the energy industry and the Federal Government. On this subject, the President was silent.

The fact that we discovered, just this week, that we are twice as dependent on Arab crude oil as we thought we were offers striking evidence of the inability of American policymakers to collect even the most rudimentary data necessary to base decisions on.

Unfortunately, this was not the first time we have been caught by surprise with unexpected shortages. Just last winter, and again this summer, optimistic forecasts were withdrawn at the last minute, shortages appeared, and prices went up. Not once, throughout the entire message, did the President refer to the weaknesses in the energy industry and in Government policy that have directly caused our present difficulties.

While Mr. Nixon had a long list of sacrifices for consumers to make, he did not ask the energy industry to undertake any sacrifice of its own; nor did he recommend any changes in Government policy that could help ease the energy crisis without consumer sacrifice, higher prices, and relaxation of environmental restrictions.

Among the steps that can be taken, but were not recommended, are the following:

First, adoption of a strong mandatory allocation system to assure that all consumers share in the shortage equally. The President remains opposed to congressional legislation designed to meet this end.

Second, ask the major oil companies not to channel the billions of dollars in windfall profits they are reaping from the shortage into dividends for their stockholders. So far this year, Exxon has made over $1½ billion in after-tax profits—up around 80 percent since last year. At the very least, he could ask revision of the tax laws to require them to pay fair taxes on this money, rather than 8 percent they presently pay.

Third, act to increase supply by increasing competition in the oil industry. The Federal Trade Commission reported the major cause of the shortage is the monopolization of the industry by eight or nine huge firms. The Justice Department has not challenged an oil company since the early 1950's.

Fourth, require oil companies to utilize all their refinery capacity and develop all of their available oil and gas. Federal Power Commission experts have testified that major oil companies are simply sitting on fields which could be producing oil and gas today.

Fifth, revise the tax laws to encourage recycling and energy efficiency. Our present tax laws reward depletion and waste.

Sixth, have the U.S. Government assume a more creative role in international oil negotiations. If the State Department had not abdicated its responsibilities and permitted private American oil companies to represent the United States in oil negotiations, companies which have become tax-collecting agents for the Arabs, the present oil boycott could not have have happened.

At the present time, American corporations, with facilities in Canada and Europe, as well as the Middle East, are refusing to sell oil to their fellow American citizens. Instead, we are being forced to buy domestic crude from these same companies at prices which are skyrocketing. I find this situation hard to accept.

To conclude, President Nixon has recommended several necessary steps to deal with our present shortage—steps necessary only because of the failure of both the industry and the Government to act responsibly.

Unfortunately, energy conservation is the only way to get through the winter. But while conservation, and the sacrifices needed to make it work, may ease the shortage, it will not solve the problem.

The energy crisis will not be solved until we change the Government policies and industry structures that created it.

THE ENERGY CRISIS—WASTE NOT—WANT NOT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 30 minutes.

Mr. DANIELSON. Mr. Speaker, I have today introduced legislation, H.R. 11351, to impose a graduated excise tax upon passenger automobiles which consume wasteful amounts of gasoline.

The petroleum shortage, which has reached critical proportions, is the result of unlimited demand accompanied by a limited supply. The best, the quickest and the easiest way to increase our supply of petroleum, and to increase it permanently, is to quit wasting it; to encourage more efficient use of our limited supplies and place sanctions on wasteful practices.

Much has been done, or suggested, to increase the supply of petroleum, or at least to spread the shortage around equitably, but nothing has been done to decrease the demand. One of the most obvious reasons for the demand problem is the inefficient use of gasoline by our passenger automobiles.

Unbelievably, the administration has skirted around the problem of wasteful automobile fuel consumption as though it were some kind of sacred cow if animal metaphors are appropriate, our automobiles are more like dinosaurs than cows—their voracious appetites have greatly exceeded the capacity of the good Earth to satisfy them. The time has come to replace these wasteful monsters with automobiles that are more efficient.

Petroleum is important as a source of energy, for the generation of power and transportation, as an industrial fuel, and for other purposes. Everyone is familiar with petroleum when used as motor fuel or heating oil, but few people outside of the petroleum industry realize that petroleum is vitally important in other areas as well. It is the raw material from which nitrogen fertilizer is manufactured to provide us and the world with the abundance of food and fiber we so desperately need. It is used for the manufacture of many synthetic materials from which we make fabrics, the double-

knit suits we wear, plastic products, synthetic rubber, phonograph records, pharmaceuticals, and vinyl. Even the ink on a page of newsprint was probably manufactured from carbon black, a petroleum product.

So the petroleum shortage is not just a matter of gasoline for our automobiles, heating oil for our homes and schools, and fuel for our electrical generating plants and industries. The list of necessary petroleum products is practically endless—and they all come out of the same barrel of crude oil.

Shortages of gasoline this summer, the present shortage of fuel for our buses and trucks and aircraft, the imminent shortage of heating oil this winter, are only the tip of the iceberg. The great abundance of natural resources which America has enjoyed for centuries, which has made America the richest country on Earth, is rapidly coming to an end. The current shortage of petroleum is impairing our capacity to provide some of the most essential ingredients of what we have proudly called "the American standard of living:" unlimited and low-cost fuel, food, and fiber.

Increasing the supply of petroleum cannot be the entire answer. On our planet, there is only a certain amount of petroleum, and much of it is located in foreign lands and may not always be available to us. By pulling out the stops on production from our own reserves, we will be using up those critical reserves and hastening the day when all of our petroleum will be gone, and we are risking severe environmental and economic consequences as well.

It is essential that petroleum, which is the raw material for so many vital products, be used as efficiently and wisely as is possible. Our supplies are fixed, and limited; when they are gone they will be gone for all time. There will be no second crop.

Mr. Speaker, the tax contemplated by the bill which I have introduced today is designed to provide a severe sanction, an economic disincentive, against the manufacture and sale of automobiles which burn, and waste, an unacceptable amount of gasoline. It would be an incentive to develop and market smaller, more efficient automobiles; more efficient in their consumption of gasoline and more efficient in their consumption of other precious natural resources.

This legislation would add a new subsection to section 4061 of the Internal Revenue Code of 1954, imposing, on the sale of gasoline-powered passenger automobiles, an excise tax that increases as the vehicle's efficiency in miles-per-gallon of gasoline decreases. This tax would be imposed upon every car manufactured, produced, or imported after June 30, 1975, and it would be phased in over three time periods, until 1984, when the tax would be in full force. The reason for this gradual phasein is to prevent economic dislocation in the automobile industry which has become accustomed to manufacturing and promoting big cars. Another reason is to give industry lead-time for the research and development of cars and engines which will use fuel more efficiently, or perhaps even consume something other than gasoline. A most important collateral benefit would be the reduction in the wasting of other precious resources, such as iron.

Under my proposal, the gasoline consumption rates of automobiles, upon which the tax would be based, would be determined by the Secretary of Transportation in accordance with rules and regulations promulgated pursuant to the provisions of the Administrative Procedure Act. The gas mileage of the car and the tax imposed would be required to be posted on each car sold after the effective date of the tax.

To demonstrate how this tax would work, I will use the Nation's most voracious gas-guzzler, the Oldsmobile Toronado, as an example. The gas mileage of this car, as determined by the Environmental Protection Agency, is about 6.8 miles to the gallon. Under my bill, after June 30, 1975, a car in that category would be subject to a 20-percent tax. If we assume a before-tax selling price of $8,000 for that car, after June 30, 1975, the price would be increased by an excise tax of $1,600, bringing the retail price to $9,600.

The rate of the tax would increase thereafter by stages in 1978, 1981, and 1984, so that after August 31, 1984, it would be practically prohibitive to manufacture and sell an automobile which could not travel at least 16 miles per gallon of gasoline.

Would you pay $33,600 for a gas guzzler? This is what an $8,000 car getting only 6.8 miles to the gallon would sell for after 1984 under my proposal. You might be more inclined to buy a Ford Pinto or a Dodge Colt which sells for $2,000 to $3,000 and gets 22.8 miles to the gallon, or a Chevrolet Vega, in the same price range, which gets 24.6 miles to the gallon. None of these would be subject to the excise tax under my proposal.

There is no car sold in this country for use on public streets which gets less than 6 miles to the gallon, but just in case anybody got the urge to manufacture one, the tax on such a car after August 31, 1984, would be 640 percent. On the other hand, cars getting better than 16 miles per gallon after 1984, would be subject to a tax of only 10 percent. Cars getting better than 18 miles per gallon would be subject to an excise of only 5 percent, which is less than the excise tax we imposed on all cars before the repeal of the tax in 1971. Cars getting between 20 and 22 miles to the gallon would not be subject to the excise tax until 1984, and at that time it would be only 2.5 percent.

It has been suggested that people should be able to buy big gas-guzzling cars if that is what they want. If we had unlimited supplies of petroleum as well as iron ore, this would be true. But we do not have unlimited supplies, and once a gallon of gasoline is burned, it cannot be unburned, it cannot be replaced.

Under these existing circumstances, there is no reason why one person should be permitted to use two or even three times more gasoline than is necessary to move himself from one place to another, particularly when such wasteful consumption might very well prevent somebody else from getting anywhere at all.

Nor should this proposal be regarded as an attempt by Government to create impossible goals for industry, which is a criticism that is being leveled at the clean air requirements. Today, it is entirely possible, and well within the state of the art, for automobile manufacturers to build cars that get 20 or 25 miles to the gallon. There would be no new technology or crash research projects required, although certainly our technology in this area can be improved.

The tax I am proposing would make the worst gas guzzlers—those cars which get less than 10 miles per gallon—prohibitively expensive within a very few years. Those which get between 10 and 16 miles per gallon would be increased in price to the extent that a potential purchaser would think at least twice before buying one. Those getting more than 16 miles per gallon would be within the budget of most people, and those getting 22 or more miles to the gallon would be free of the excise tax.

The text of my bill is as follows:

H.R. 11351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Congress finds and declares that—

(1) petroleum is an essential and major raw material and source of energy used in the production of goods and services vital to the common defense, the economy, and the general welfare of the United States;

(2) petroleum is an essential and major source of energy needed for the transport of goods and persons in commerce among the several States, commerce with foreign nations, and for the maintenance and operation of the Armed Forces of the United States;

(3) petroleum is an essential and major natural resource used in the petro-chemical industry to manufacture other substances vital to the production of food, fiber and industrial products necessary to the economy and general welfare of the Nation;

(4) there are not sufficient known reserves of petroleum in or available to the United States to meet current and foreseeable needs, and that a shortage of petroleum is contrary to the best interests of the United States, and will impair commerce among the several States, and with foreign nations;

(5) there is a direct relationship between weight, engine size, and accessory equipment of passenger automobiles and the efficiency with which such automobiles consume fuel and other limited natural resources; and

(6) because of excessive weight, engine size, and accessory equipment, substantial numbers of passenger automobiles manufactured, distributed, sold and operated in interstate commerce needlessly consume and deplete limited petroleum and other natural resources in or available to the United States.

(b) It is the purpose of this Act to encourage the design, production, manufacture and sale of passenger automobiles which are more efficient in the consumption of petroleum and other natural resources through the imposition of an excise tax upon the sale of automobiles, which tax shall increase as automobile fuel economy decreases.

SEC. 2. Section 4061 of the Internal Revenue Code of 1954 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new subsection:

"(c) Passenger automobiles.—

"(1) Tax imposed.—There is hereby imposed upon every gasoline-powered passenger automobile manufactured, produced, or im-

ported after June 30, 1975, a tax upon the price for which such automobile is sold by the manufacturer, producer, or importer thereof, based upon the rate at which such automobile consumes fuel, according to the percent specified in the following tables:

"(A) for the period beginning July 1, 1975, and ending August 31, 1978:

"Tax—in percent

"If the rate of consumption (in miles per gallon) is:	
Over 18	0
Over 15, but not over 18	2.5
Over 12, but not over 15	5
Over 9, but not over 12	10
Over 6, but not over 9	20
Not over 6	40

"(B) for the period beginning September 1, 1978, and ending August 31, 1981:

"Tax—in percent

"If the rate of consumption (in miles per gallon) is:	
Over 18	0
Over 16, but not over 18	2.5
Over 14, but not over 16	5
Over 12, but not over 14	10
Over 10, but not over 12	20
Over 8, but not over 10	40
Over 6, but not over 8	80
Not over 6	160

"(C) for the period beginning September 1, 1981, and ending August 31, 1984:

"Tax—in percent

"If the rate of consumption (in miles per gallon) is:	
Over 20	0
Over 18, but not over 20	2.5
Over 16, but not over 18	5
Over 14, but not over 16	10
Over 12, but not over 14	20
Over 10, but not over 12	40
Over 8, but not over 10	80
Over 6, but not over 8	160
Not over 6	320

"(D) after August 31, 1984:

Tax—in percent

"If the rate of consumption (in miles per gallon) is:	
Over 22	0
Over 20, but not over 22	2.5
Over 18, but not over 20	5
Over 16, but not over 18	10
Over 14, but not over 16	20
Over 12, but not over 14	40
Over 10, but not over 12	80
Over 8, but not over 10	160
Over 6, but not over 8	320
Not over 6	640

"(2) Determination of fuel consumption rate.—The rate of fuel consumption of automobiles taxable under paragraph (1) shall be determined solely on the basis of the Automobile Fuel Consumption Schedule prepared by the Secretary of Transportation.

"(3) Liability for payment.—The tax imposed by this subsection shall be paid by the manufacturer, producer or importer of an automobile taxable under paragraph (1) at such time and in such manner as the Secretary shall prescribe."

Sec. 3. (a) The Secretary of Transportation is authorized and directed to prepare and transmit to the Secretary of the Treasury, annually and at such other times as circumstances may require, an Automobile Fuel Consumption Schedule setting forth, for each make and model of automobile which is or may be subject to the tax imposed by section 4061(c) of the Internal Revenue Code of 1954, as amended, the rate at which such automobile consumes fuel, according to—

(1) each type of engine, including each type of carburetion or other variation which affects the rate at which such automobile consumes fuel, which is available for such automobile; and

(2) each item or combination of items available for such automobile as optional accessory equipment which affects the rate at which such automobile consumes fuel.

(b) In preparing the Automobile Fuel Consumption Schedule provided for under subsection (a), the Secretary of Transportation is authorized and directed to make any and all tests necessarry to determine the fuel consumption rates of automobiles under driving conditions most representative of the uses to which an average automobile owner puts his automobile under normal driving speeds and circumstances, and with the fuel recommended by the manufacturer for use in the automobile being tested.

(c) The methods and types of testing to be employed for purposes of subsections (a) and (b) shall be established by rules and regulations to be promulgated by the Secretary of Transportation in accordance with the Administrative Procedure Act: *Provided*, That notwithstanding any other provision of law, the rate of fuel consumption specified in the Automobile Fuel Consumption Schedule for any automobile shall be binding and conclusive upon the Secretary of the Treasury for purposes of assessing the tax imposed by section 4061(c) of the Internal Revenue Code of 1954, as amended, unless and until a different rate is established by a superseding Automobile Fuel Consumption Schedule or by an administrative or judicial decision which is final and not subject to any further appeal or review.

Sec. 4. (a) In the case of any automobile distributed in commerce after June 30, 1975, on the sale of which by the manufacturer, producer, or importer tax was imposed by section 4061(c) of the Internal Revenue Code of 1954, as amended, any person required by section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232) to affix a label to such automobile shall include in such label a clear, distinct, and legible endorsement stating—

(1) that Federal excise tax was imposed and paid on such sale;

(2) the percentage rate at which such tax was imposed; and

(3) the rate at which such automobile consumes fuel, as determined by the Secretary of Transportation.

(b) Any person required by subsection (a) of this section to endorse any label who willfully fails to endorse clearly, distinctly, and legibly such label as required by subsection (a), or who makes a false endorsement of such label, shall be fined not more than $1,000. Such failure or false endorsement with respect to each automobile shall constitute a separate offense.

PHASE 4 ENERGY MESSAGE—WRONG AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, at a time when the country faces serious problems both home and abroad, and when those problems are caused, in large part, by a flagging national belief in its leaders and institutions, it gives this Member no great pleasure to take the floor in order to criticize the President of the United States.

Delivering no less than the fourth energy message in a single year, necessitated by the failure of each of its predecessors to correctly assess the dimensions of the problem, Mr. Nixon once again slipped into the pattern of inadequate measures and bland reassurances that are responsible in no small part for bringing us to the brink of this stark energy crisis. It was the kind of speech that reflects an administration policy that has allowed us to stumble into a virtually insoluble energy dilemma that could close factories and schools and leave millions of homes unheated this winter. For despite Mr. Nixon's protestations about the Congress, this ostrich administration had pretended for 2 years that the energy crisis was not serious. Their defaults have put us in such a vulnerable posture that the Arab's "oil weapon" will inevitably have a devastating impact on our lives and our economy in the months immediately ahead.

And now that we teeter on the brink, here is in summary what Mr. Nixon said:

We will have a shortfall of oil temporarily running in the neighborhood of 2 to 3 million barrels per day.

Wrong. The shortfall we now face, as I will detail later, will likely in the first quarter rise to more like 6 million barrels each day, running between 20 and 30 percent of total demand.

A combination of modest cutbacks in personal and industrial consumption can save us in the short term.

False. The hard fact is that, at this late date, the actions he called for, though desirable and necessary, could be inconsequential. They are either too slow, that is, the conversion of industry to coal or an accelerated nuclear power program, or they are far too modest, that is, temporary speed limits—which will save us only 6 percent of our predicted shortfall—and airline flight cutbacks which would save even less.

Legislation in the Congress will alleviate the problem.

Untrue. If construction began today on the Alaska pipeline, the first drop of oil could not possibly emerge before sometime in 1978. The energy research and development program he belatedly seeks holds promise for the next decade and the next century, but none for next year. It must be pointed out that such a program has been stymied by Nixon administration opposition as late as June of this year.

Moreover, in his speech there was the hint of two egregious policy errors.

First, was the underlying suggestion that technology will bail us out, somehow, just before disaster. We risk catastrophe if a blind confidence in technology lulls us into procrastinating on painful decisions. We are foolish to believe any longer that technological tricks can relieve us of our need to husband nonrenewable resources. No Manhattan project or Project Independence, no amount of cheerleading, will provide an instant solution.

Second, to retreat completely from our commitment to clean water and air, to go ahead damming wild rivers and desecrating wilderness and national parks would be an irreparable mistake. Some short-term tradeoffs may be required, but when the tough decisions come, it would be folly to abandon environmental reforms. We must have a sensible policy that balances our resource budget while remaining respectful of nature's laws.

In a speech 3 days ago, I charted the

deteriorating and serious energy picture for this winter. The hard facts are these:

Before the Mideast embargo, the Interior Department was estimating shortages of 100,000 to 300,000 barrels per day.

On October 12, White House Aide Charles DiBona predicted possible shortages of not more than 8 percent or about 1.2 million barrels per day.

On October 20, this estimate was raised to 1.6 million barrels per day to cover indirect Arab supplies in the form of products imported from third countries which import Arab crude directly, refine it, and reexport the refined products to us.

On October 24, the Treasury Department's Office of Oil and Gas raised this estimate to 2 million barrels per day.

Duke Ligon, OOG's Director, on October 30 gave newsmen an estimate of 2 to 2.5 million barrels per day.

Now Dr. Kissinger has supplied the Senate and House Foreign Relations Committee with a new estimate from the Defense Department of a total shortfall of 3 million barrels per day. This includes Arab supplies of 0.5 million barrels per day formerly available from the Caribbean, and 0.4 million barrels per day from the European refineries. Also included are Defense Department purchases of one-third million barrels per day which it formerly obtained overseas.

But I believe that even this figure is too low.

One. Domestic needs for imports were anticipated by the Interior Department to rise from the present 6.5 million barrels per day to 8.4 million barrels per day in the first quarter of 1974. Most of this increase would have had to come from direct or indirect Arab sources, since no other crude producer can materially increase production. If this is true, then the Defense Department estimate, which assumed a necessary level of winter imports at 7 million barrels per day, underestimates our shortage by over 1 million barrels per day.

Two. Further, if we do nothing to curb demand during November-December—and it appears unlikely that drastic cutbacks will be achieved so soon—inventories will be reduced by the lack of imports—expected to begin about the middle of November—of 3 million barrels per day or about 135 million barrels. This reduction of inventories means that much less will be available to draw from during the winter quarter, which will cause an additional shortfall of 1.5 million barrels per day.

Thus, during the peak of the winter demand period we face a potential shortage of not 100,000 to 300,000 barrels per day, not 1.2, 1.6, or even 3 million barrels per day, but possibly 6 million barrels per day and, of course, the maximum shortage will be even greater than the average shortage.

What can we do? We cannot look to economic incentives to persuade the Arabs to increase production. They have actually increased total revenues by raising prices more than they cut production. Our options include:

First. The beginning of every solution is a thorough understanding of the problem. The President did little in his speech last night to educate the country on the seriousness of the current situation. We must tell the country the whole truth; only then will we be able to build a sense of teamwork and broad citizen cooperation.

Second. Begin to take extraordinary steps now. If we wait until the gas pumps are empty and the pipes are frozen, it will be too late for rational response.

Third. With all the potential inequities these measures suggest, we must immediately take steps to limit gas consumption by either imposing high gas taxes or rationing. These are bitter pills to swallow, but we may have no alternative.

Fourth. Immediately investigate the possibility of requiring a limit on commercial hours, car pooling, a temporary surcharge on excessive energy consumption, an elimination of unnecessary lighting including an absolute ban on neon advertising.

Fifth. The Government must undertake a crash energy education program for individuals and industry, utilizing all media, and providing a steady flow of information to every household in the country on an energy savings program.

Mr. Speaker, we face hard times, and the country deserves to know it. The President proposes halfhearted measures and more delay; I call on the Congress to take urgent action. The price of procrastination is unacceptable.

THE CONVERSION OF COAL TO GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 10 minutes.

Mr. SMITH of Iowa. Mr. Speaker, the President's energy message represented an almost complete turnaround within the administration compared to a year ago. A subcommittee which I am privileged to chair has been investigating, holding hearings and warning for several years that an energy crisis has been developing in the United States. As late as a year ago, the official response by the administration was that there was really no energy problem. The evidence cited was that they had asked the big oil companies and had been told this was the case. The first step toward solving any problem is to realize there is a problem and the second step is to realize the dimensions of the problem. Last winter, the administration was rudely awakened and became convinced there was a problem but only this week have they become convinced how big the problem really is. They now have taken the first two steps.

But to go from realizing the problem to proposing solutions is quite another thing. Based upon what we have heard during the past 2 or 3 years in our subcommittee, I think most of the President's recommendations, and indeed most of those I have been hearing from my colleagues as well, have been nonsolutions for our particular problem. For example, both the President and some of my colleagues talk in glowing terms about the amount of fuel which can be saved by placing a 50-mile-per-hour speed limit on the highways. The President indicated 10 percent of our shortfall could be saved that way. I challenge them to find any rational statistics proving such huge savings.

The best engineers in the business say that the speed at which an automobile will use the least fuel depends upon a large number of factors including the weight of the automobile compared to the size of the engine, the surface of the highway on the particular day in question, the amount of traffic to be carried on that highway at that time, and even the temperature. In many cases slowing traffic to 50 miles per hour can actually increase gas consumption. While under some conditions operating automobiles at a slower speed may save gasoline, depending upon this type of action to yield 10 percent of the energy savings needed would be a drastic mistake.

The unquestioned fact is that we have huge resources of coal in this country and that until the breeder reactor is available on a widespread basis in about 1985, the United States cannot hope to be self-sufficient in noncoal energy supplies, according to present preferences for those sources of energy. If we are to bridge this 12-year gap and to depend less upon imports of oil, it is necessary to concentrate on a national policy of using coal for more of our energy needs. The question is how to accomplish substituting more coal for oil and gas.

We have had many research projects underway for many, many years for the conversion of coal to gas. Contracts for this research have been given to oil companies. Claims have been made that oil companies did not care enough about finding solutions to a problem which would create more competition for oil. Whether that is the reason for the slow progress or whether there is some other reason is not clear, but it is clear that this research has not proceeded as rapidly as it should have. Without any changes in any laws, emergency can be given to these projects.

Although converting coal to gas results in a great loss of British thermal units, the fact is we have large reserves of coal and we do not have enough of other forms of fuel. Therefore, in spite of the loss, it needs to be done. It would be too difficult for homes to convert from gas and oil to coal but electric powerplants could convert from other fuels to coal where necessary and a large share of them already have the capacity to use coal. Coal with the required pollution control equipment is a more expensive source of energy than gas and in some cases oil has been and using coal would require some readjustments of rates but in looking at total energy supply, it seems crystal clear to me that we need to have a national policy of encouraging the use of coal for the next 12 years and that one of the easiest places to make a huge dent in the problem is converting electric powerplants from gas to coal.

Allocating existing fuels on an historical basis will not permit the adjustments that are absolutely imperative to avoid high unemployment and great shortages in our society. For example, gas is used as a derivative for fertilizer and without increased supplies of fertilizer, there

will not be enough of the kind of food supplies which are being programed. Allocating the same amount used in prior years is simply not enough. Making nitrogen from coal would be much more inefficient than converting gas to nitrogen and then using coal in more heating plants instead of gas. This demonstrates how we must look at total energy supplies and the shifting of energy sources rather than simply allocating fuel supplies according to some historical base.

Although many British thermal units are lost in converting coal to electricity for use in homes compared to using gas, huge coal resources can be converted to a usable form in this way and more homes can use electric appliances. Also if more new homes were all electric, then the suppliers of electricity could be the ones in the future to convert back and forth between fuels so as to use the most plentiful fuel that is available at that particular time. Those electric plants using coal during this interim period could switch over to another fuel if and when the other form becomes more plentiful or cheaper per British thermal unit.

There are also some large industrial users of fuel who have been using gas because it was so cheap. Many of them could use coal and tremendously relieve the drawdown on gas which is needed for homes and small users where distribution of fuel by surface methods is a major problem. This may mean a need to revise tax statutes to provide an incentive to use coal instead of other energy resources.

Another problem connected with the increased use of coal is the lack of transportation facilities for delivery of the coal. Much of the coal in the United States contains a huge sulphur content. I think antipollution devices can and soon will be developed which will permit greater use at a reasonable cost of this kind of fuel without polluting the atmosphere. There are also large reserves of coal which are low in sulphur content. Whichever kinds of coal are used, a tremendous increase in transportation facilities will be necessary. I am sorry that the President did not even mention the word "transportation" in his speech because that is one of the very keys to solving this problem.

There are a number of other things which can be done, such as importing more oil from the Western Hemisphere, letting more contracts for explorations in the Gulf of Mexico and other areas on the Outer Continental Shelf, and entering into outright barter agreements with countries with supplies of LPG and crude which would be stored or derived from places where they are just as dependent on our food products as we are dependent upon their energy resources. All of these kinds of things need to be looked at but each one is small in importance by comparison to zeroing in on a huge domestic increase in the mining and distribution of coal as the major source of energy needed to fill the gap.

Weatherstripping around the front door and cleaning the furnace filters are all-right things to do but it is a mistake to think that these kinds of things will be enough to fill the energy gap to the extent needed to prevent unemployment and shortages of food and other consumer goods. It is time to think in terms of increasing total available domestic supplies of energy instead of concentrating almost exclusively upon allocating particular kinds of fuel on an historical basis.

I strongly urge my colleagues and those who are working on energy problems to focus on the central major solutions which will overcome the total energy gap instead of spending so much time on proposals which will be insignificant by comparison and turn out to be disappointing in the end.

ARKANSAS LAW SCHOOL RESPONDS TO GOVERNMENT ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, recently I received a report from Paul Riviere, president of the Student Bar Association of the University of Arkansas School of Law at Little Rock. Mr. Riviere advised that of the 180 students enrolled at the Little Rock Division of the University of Arkansas School of Law that approximately one-half participated in a questionnaire which was circulated among the students. The poll is clear and convincing evidence of the failure of the institutions of government to inspire the confidence of the Arkansas Law School student body and is cumulative proof of the crisis of confidence that many students have expressed during the past several years.

It may be appropriate to note that the U.S. House of Representatives is in the process of responding to the need for change as evidenced by the Legislative Reform Act which was passed in 1971. Remembering, the report by Chief Justice Warren E. Berger on the state of the Federal judiciary in September of 1971 would likewise fall into the category of a call for reform. The executive branch is in constant, almost daily need for improvement that is fitting to serve the needs of a dynamic society.

I commend the poll to my colleagues for their consideration.

RESULTS OF POLL

Questions I, II, Better than 80% disapproved President Nixon's actions.

Question III, 73 of 88 said Congress should consider impeachment.

Question IV, 82 of 89 indicated they felt that members of Congress had not adequately fulfilled their obligation as representatives of the people in the past 10–15 years.

Question V—Comments: 1. The results of the poll should be sent to each member of the Arkansas Congressional delegation in Washington, D.C.

2. Consider impeachment, but on what substantial grounds?

3. They (Congress) have acted like lambs during his administration . . .

4. I considered the appointment of a Special Prosecutor as a promise that the President made to the country . . . his interference was inexcusable. . . .

5. The firing of Cox was the straw that broke it. After having staunchly supported Mr. Nixon and voted for him, I find it very embarrassing to admit that fact in intelligent company.

6. Actions of President Nixon have hurt the country and the Republican Party.

7. Congress has abdicated too much responsibility to the President.

8. It is long past time for the Congress to assert its constitutional authority, regain its posture by impeaching the President and thereby, replace in all America a feeling of confidence in our government.

9. All aspects of impeachment should be fully considered.

10. The Executive has for some time sought to increase its power beyond constitutional limits, but Nixon has gone too far. . . .

11. Congress should re-appoint Cox as Special Prosecutor.

12. During the past 20 years our country has had more of the powers of the people delegated to the Federal Government . . . The power of the President has increased and the power of Congress has decreased . . . Our leaders are shown to be incompetent . . . New leaders must be found, leaders that can become aware of our problems and work actively to solve them. . . .

OPINION POLL

I. What are your feelings or beliefs concerning the firing of Special Prosecutor Archibald Cox? (Circle the appropriate letter.)

(A) I approve President Nixon's actions.

(B) I disapprove of President Nixon's tions.

(C) No opinion.

II. What are your feelings or beliefs concerning the resignation of Attorney General Elliot Richardson and the firing of Assistant Attorney General William D. Ruckelshaus? (Circle the appropriate letter.)

(A) I approve President Nixon's actions.

(B) I disapprove of President Nixon's actions.

(C) No opinion.

III. In light of what has happened this weekend when coupled with the events of the past year, I believe that: (circle the appropriate letter).

(A) The Congress should agree to the "compromise" proposed by the President and *not consider* impeachment.

(B) The Congress should agree to the "compromise" proposed by the President *and* consider impeachment.

(C) The Congress *should consider* immediate impeachment.

(D) No opinion.

IV. Do you believe that the Congress of the United States has adequately fulfilled its obligation "as representative" of the people in the last 10–15 years? (Circle one.)

Yes. No.

V. Comments:

ON OIL EXPLORATION IN THE GULF

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am very pleased that the entire Florida House Delegation in the Congress has joined with me today in introducing a bill which is designed to prevent wholesale oil exploration and drilling without concern for essential military test ranges or facilities in the Gulf of Mexico off the Florida coast. The bill provides that no test ranges or facilities which are required for defense programs of the military services of the United States may be released by the Department of Defense for purposes of oil drilling or exploration until a determination has been made by the Secretary of Defense that

there is not a military requirement for the test range or facility involved and until full and complete environmental studies have been made by the Environmental Protection Agency and such studies have been approved by the Appropriations and Armed Services Committees of the Congress; or unless such leasing is directed by the President as essential to the national interests.

We recognize the need for providing additional oil resources in the Western Hemisphere. We know that the Department of the Interior is under pressure to find oil for America's needs. We know the Government wants the revenue which will come from oil leases. Nevertheless, the most optimistic predictions indicate the oil reserves which might be discovered in the gulf would provide only a minor part of America's growing requirements, or approximately 1 million barrels per day against present requirements of 18 million barrels and projected future requirements of 25 million barrels. These limited resources would materialize 3 to 4 years hence and not immediately when additional oil is needed. It is conceivable that the achievement of permanent peace in the Middle East would meet all of America's additional oil requirements, possibly within months.

Drilling off the Florida coast brings the risk of weakening America's defense. I do not think we can afford this. Modern weapons require long and careful testing to insure efficient operation. Today's sophisticated weapons require test ranges which can only be obtained over water. The cost of the Government's investment in defense installations in the Mississippi, Aabama, and Florida areas of the Gulf of Mexico is more than $1.5 billion, and the estimated replacement value of these facilities is $3.4 billion. The normal activities of these installations include hazardous activities such as the testing of live armament over water ranges. Such tests are essential to the maintenance of the combat readiness of the military services. The construction of permanent installations, such as oil rigs, in test areas could result in the creation of dangerous conditions both for military personnel and for those involved in oil exploration and production. Ranges in the Gulf of Mexico are essential to testing and training for the Naval Air Station at Pensacola, Eglin Air Force Base, Tyndall Air Force Base, the Naval Coastal Systems Laboratory at Panama City, and MacDill Air Force Base at Tampa. Moving their functions would not insure adequate test ranges elsewhere. There simply are very few, if any, areas anywhere in the Western Hemisphere where ranges comparable to the present Gulf test ranges are available.

We know that we face a threat of constantly improving Soviet weapons. They are pacing us step by step in progress and surpassing us in numbers of modern weapons. We could lose the next war before a shot is fired if the Soviets know we do not have the weapons to stand up to theirs. This can become a case for America's survival, and America's survival is far more important than the possibility of oil revenues from the Gulf.

A strong case can also be made on economics and tax revenues. The bases named pour $500 million per year into Florida's economy. This is reflected in a very substantial tax return to the Government. Revenues from oil leases would fall far, far short of this figure. Oil spills, which are a constant threat where there is oil drilling, would play havoc with the rich and growing potential of Florida's unmatched beaches. The specter of oil rigs sitting offshore and the always ominous threat of oil spills would certainly place a damper on beach development and, again, on tax returns to the Federal Treasury. Other States have already experienced this problem and know that it is real.

The administration has shown a disappointing lack of concern of the possible serious consequences of drilling in the gulf. We share the concern which is felt on the need to provide additional oil supplies, but we feel that alternative sources and procedures are much more to be desired. Apparently it is necessary that Congress take this matter into its own hands to insure that there will be no disruption of the testing of equipment vital to the Armed Forces, to avoid the unnecessary and very heavy expenditures which would be required to relocate activities which might be compromised by oil activities, and to prevent possible irreparable damage to our beaches and to the development of our State from oil spills.

THE NATIONAL COMMANDER OF THE AMERICAN LEGION SPEAKS BEFORE THE NATIONAL GUARD ASSOCIATION

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, someone has just brought to my attention the address of the National Commander of the American Legion given before the National Guard Association at its recent meeting in Oklahoma City on October 11, 1973. The present National Commander of the American Legion is a retired Air Force major general and is the first career military officer ever to be elected National Commander of the American Legion. For some 17 years, while serving on active duty in the Air Force, he maintained his legal residence in my district and his wife is from Belleville, Ill. We, in my district in Illinois, commend the American Legion in their selection of Major General Eaton as National Commander.

In his address to the National Guard Association, National Commander Eaton expressed the American Legion's apprehension in regard to the future pattern of our defense structure. The American Legion, and all of us, regard the zero draft armed services as a commendable goal but in order for it to have any chance of success the pay of military personnel must be set at a high level and this raises the personnel cost of the defense establishment astronomically.

In approaching the solution to this, the American Legion feels that we must be aware of the danger of parochialism in the Defense Department in arriving at their solutions. In the utilization of reserve forces, to use the words of the national commander:

If the ceiling is dollars, more defense can be produced under the dollar ceiling. If the ceiling is force structure required, the force structure can be produced at a lower cost. These economies are possible because it is demonstrably cheaper to fund reserve forces both from the standpoint of personnel cost and maintenance and operation cost, than it is to fund the active force.

The American Legion has a resolution on this subject and I place in the CONGRESSIONAL RECORD the remarks of the national commander as well as the American Legion resolution passed at its recent convention in Hawaii in the hopes that my colleagues will find both interesting.

AN ADDRESS BY ROBERT E. L. EATON

Thank you very much.

Mr. Chairman, distinguished guests, I am honored by your kind invitation to be with you today.

Throughout our 55 year history, The American Legion has favored a strong national defense. Indeed, one of the principal reasons for founding our organization was the concern of far-sighted World War I veterans who saw the folly of inadequate military preparedness.

It follows that we have enjoyed an equally long, and equally supportive relationship with the reserve components. My purpose today is to discuss with you the Legion's current position on the national defense, and the contribution we believe the reserve components must make to national defense.

Almost as a matter of course, it seems, prevailing American public sentiment urges the dismantling of the military forces following a long period of conflict. This was true following World War I and it is true again today following the long cold war years and the Vietnam Conflict. General George Marshall called attention to the dangers inherent in this type of let-down when, after World War II, he said:

"We finish each bloody war with a feeling of acute revulsion against this savage form of human behavior. Yet, on each occasion, we confuse military preparedness with the cause of war and drift almost deliberately into another catastrophe. The first thing we must remember with the end of war is that to avoid war we must remain militarily strong."

The existing atmosphere of detente with our cold war adversaries has also had an impact on public opinion concerning our defense posture. The doves, who are always with us, are doing their share of hand-wringing, and attempting to bring about disarmament even if it must be on a unilateral basis. Their prime target is the defense budget which they would reduce to a completely unreasonable degree under the guise of "reordering priorities."

We tend to overlook the fact that in the 3400 years of recorded history there have been only 268 years when a major war has not been in progress. The conflict which seems to be developing into major proportions in the Middle East at this moment appears to bear out the lessons of history in this regard.

The rationale for maintaining a strong defense as a national priority was set forth

eloquently some years ago by British Air Chief Marshal Slessor, who observed:

"It is customary in Democratic countries to deplore expenditures on armaments as conflicting with the requirements of the social services. There is a tendency to forget that the most important social service that a government can do for its people is to keep them alive and free."

While there are hopeful signs of a desire for improved conditions on the part of the Soviets and the Communist Chinese, we of the Legion do not believe the climate is such that we can afford universal or unilateral disarmament. We will require a defense establishment strong enough to provide absolute deterrence. We remain unconvinced that our potential enemies had given up long term goals of military superiority and ultimate aggression in one form or another.

The obvious question here is "how much is enough defense to deal with the threat posed by our adversaries?"

First consideration, in our view, is the maintenance of an adequate nuclear posture for defense. We give our total support to our TRIAD forces and the measures necessary to insure that these forces are kept in fighting readiness.

If we are to provide a counter force with the effectiveness to combat the Soviet threat, we must have a replacement for the now obsolete B–52. We therefore consider the early development and deployment of the B–1 bomber a must.

Additionally we now have evidence of a Soviet submerged missile system with a 4000 mile range, making imperative the deployment of an operational TRIDENT Submarine force at the earliest possible time to replace our aging Polaris System.

Thirdly, we are committed to the rapid updating of the land missile element—our Minuteman system. Our mandate calls for immediate action to improve the survivability and effectiveness of the Minuteman force. This includes replacement of older missiles with Minuteman III, and continuation of research and development action on advanced missiles.

While attaching priority to updating strategic forces, we believe we must act now to improve our general purpose forces. We are committed to continued development and procurement of the F–14 and F–15 air superiority fighters; a return to a position of naval superiority through the continued improvement of our surface and submarine fleet and a modernized air defense system.

While we regard the zero-draft, all volunteer armed services as a commendable goal, we do not believe that it will work. We will give the program our support as long as it is policy. Zero draft has pushed up our personnel costs enormously, and thus the costs of the armed services have skyrocketed for this reason alone.

Now the costs of updating weapons systems plus the zero draft have made defense tremendously more costly, and we deplore the conditions which force the need for it. In spite of the fact that current spending for defense is lower today on the basis of a percentage of gross national product—or measured against the dollar value of a decade ago—the dollar figure is higher. Increasing inflation can be expected to push it even higher in the future. The continuing need for a strong defense must be explained to the American public, sold if you will, and organizations such as yours and mine can be expected to do our best in doing this selling job.

In the face of these skyrocketing costs—the costs for personnel and new weapons systems—it seems to us that the Defense Department itself should be innovative and should try new methods to bring down the cost of defense. We believe that one of the ways the cost of defense can be brought down is a more intelligent and a more aggressive approach to the use of the reserve components. It will be necessary for the Defense Department itself to get away from parochialism in order to take full advantage of the reserve forces and insure proper utilization of these components. There needs to be a radical change in thinking concerning the role of the reserve forces. In past history, the reserve forces have been considered a mobilization force, operating under a requirement that months, and even years of equipping, manning and training elapse in order to bring them to combat effectiveness. Regardless of what has been said on this score, unfortunately our reserve forces are still constituted to a major degree on this basis. We regard this as an unacceptable posture in view of world conditions and our defense requirements. We can't buy a reserve concept that is tied to the idea we have all the time in the world to prepare for war.

Former Defense Secretary Laird, in a rare moment of statesmanship, adopted the obvious solution for utilization of the reserve force in embracing the Total Force Policy—the complete integration of the reserve forces into the nation's combat ready force in being. We need look no further than the example provided by the quick and effective reaction of the Israeli reserves in today's ongoing action to prove that it can be made to work, but sadly we must report that despite a display of lip service, we fail to see vigorous moves toward implementation of this idea by the Congress or the Department of Defense.

As a matter of fact, and more importantly, even now we hear rumors of action planned and papers circulated indicating that the first element of the Defense structure to undergo reduction in force structure will be the Air National Guard and the Army National Guard. It is obvious that if money is to be saved these elements should be the last to undergo cutbacks.

We believe that developing and using the reserve forces in accordance with the Total Force Policy will not only provide an effective defense, it is without question, the most dollar effective approach. If the ceiling is dollars, more defense forces can be produced under the dollar ceiling. If the ceiling is force structure required, the force can be produced at a lower cost. These economies are possible because it is demonstrably cheaper to fund reserve forces, both from the standpoint of personnel costs and maintenance and operations costs, than it is to fund the active force.

In order for the Total Force Policy to be a viable, living thing we must have a commitment to man the force—to equip the force and to train the force. And this is where we should be fighting today—you and I—The American Legion and the National Guard Association. We of the Legion are committed to this policy by the strong mandate of our recent National Convention and I know the depth of your commitment.

Let me say in conclusion that you have the salute of The American Legion and our pledge of complete support. We are, in the words of our theme program for the year, willing to stand up and be counted again in the interests of a national defense structure powerful enough to keep America strong and great. That much defense, ladies and gentlemen—no less—is what we of the Legion consider "enough" defense.

RESOLUTION No. 276

Committee: National Security.

Subject: Total force concept of providing modern aircraft to regular and reserve forces.

Whereas, The Secretary of Defense on 21 August 1970, in anticipation of major curtailments of the force levels within the Defense Establishment of the United States due to rising manpower costs, directed implementation of the Total Force Concept; and

Whereas, The Total Force Concept would provide a greater degree of national defense capability and potential through reliance upon both active and reserve elements of the Defense Establishment; and

Whereas, This increase in capability would be attained and maintained at less expense to the United States; and

Whereas, The Total Force Concept dictates equipping both the regular and reserve forces with modern first line equipment; and

Whereas, The Air National Guard Tactical Fighter Force of the Reserve Forces are equipped with obsolete tactical equipment such as the aged and ineffective F–100 tactical fighter aircraft whose current and projected maintenance and safety modification costs alone exceed production costs of first line tactical aircraft; now, therefore, be it

Resolved, By The American Legion in National Convention assembled in Honolulu, Hawaii, August 21, 22, 23, 1973, that we urge the Congress and the Secretary of Defense to implement the Total Force Concept without delay and equip the Reserve Forces with modern first line aircraft from production as well as Regular Force assets, at the earliest possible date.

LATIN AMERICA: THREE TRENDS TO WATCH

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, recently one of America's most distinguished newsmen, Lee Hills, chairman of the board and chief executive officer of the Knight Newspapers, and publisher of the Miami Herald, addressed the annual meeting of the Inter-American Press Association in Boston. In his address Mr. Hills, a former IAPA president, perceptively analyzed the principal trends in the hemisphere today. I know that all those in the Congress who are vitally concerned with Latin America will want to read this excellent speech and I, therefore, include it at this point in the RECORD:

[From the Miami Herald, Oct. 21, 1973]

LATIN AMERICA: THREE TRENDS TO WATCH

(By Lee Hills)

I would like to address myself to what appears to be an unhappy hallmark of relations between the two halves of our hemisphere: A lack of understanding on both the government level and at the press and private level.

The American press is accused of only being interested in Latin America when there is an earthquake or revolution. It is equally fair to say that the Latin American press can be as fickle in covering events in North America, highlighting our "spectaculars" like Watergate or Agnew, or a racial riot but seldom really exploring the underlying issues and attitudes.

Today let me attempt to outline some of the things beyond the revolutions and the earthquakes that I think are important to a changing Latin America.

We in the Knight Newspapers believe that Latin America is an important and vital part of the world and we cover it as though it were, on a day-to-day basis.

So, to our Latin American members, let me

ask whether, in what I am about to say, we are perceiving correctly some of the underlying changes on which you have embarked in your societies. And to our North American members, let me point out by implication some of the kinds of things that Knight Newspapers are reporting about Latin America.

Generalizations about Latin America, of course, are dangerous and often misleading. This is an enormous, diffuse area. It defies any neat description. Each of the 24 separate nations has its own unique set of problems and prospects. What's true in one country may be false in another. What held in the late 1960s may be reversed in the '70s. Indeed, the only constant I can detect is flux and change.

The rules of the game keep changing dramatically for investors. U.S. capital isn't as prized as it once was, and neither is the concept of private enterprise among some of the governments. More of them favor joint venture, and want local control either by private capital or the state itself.

And American capital, which once had Latin America pretty much to itself, now finds stiff competition both from West Europe and Japan.

Nevertheless, it strikes me there are at least three significant trends occurring in Latin America that apply, in varying degrees, pretty much across the board:

1. Latin America, as a whole, is experiencing an economic boom. It began about five years ago—partly as a result of sizable increases in both public and private investment—and it shows no sign of abating. The Latin economy, again as a whole, is expanding at a higher rate than either the already developed areas and the other under-developed regions of the world.

Overall, the combined gross domestic product of Latin countries—what we call our GNP in the United States—has been rising at a rate of about six per cent every year since 1968. That's real growth, in constant dollars, with the inflation taken out.

Even so, this growth is spotty.

In Brazil, the economic showcase of Latin America, the growth rate has been running over 10 per cent for the past five years.

In Argentina, it's barely four per cent.

And Uruguay shows a negative economic growth rate of minus two per cent.

And in most countries, the new wealth is still concentrated in the top 30 to 40 per cent of the population. A good deal "trickles down" eventually, but sudden riches may actually increase economic envy and social tensions. As President Medici of Brazil put it recently: "Brazil is doing well, but the people are not."

But the Latin economic growth is offset by a three per cent yearly birth rate rivaled only in southern Asia. There are now 65 million more Latin Americans than there were when President Kennedy declared the Alliance for Progress. And there will be another 80 million mouths to feed in 1980.

Nevertheless, the growth is so fast that per capita income is rising at three to 3½ per cent a year. There is a lot more money around for Latins to buy things with.

2. My second generalization has to do with nationalism and expropriation. Every nation wants the right to settle its own destiny in its own way.

Riffling through back copies of The Miami Herald, which devotes at least four to five columns daily on a special page to Latin American news, is like a classroom in nationalism.

They tell, for example, of Latin American foreign ministers planning to meet in Bogota next month to prepare a common list of grievances and desires for presentation to the new U.S. Secretary of State Henry Kissinger.

Or of the Law of the Sea Conference scheduled for Santiago in 1974 with Latin nations sure to loudly reiterate their claim to sovereignty over 200 miles of ocean off their shores; of Latin America's increasing Third World leadership role; of Panama's assertion that the Panama Canal is a natural resource which it should control; of Brazil angrily rejecting suggestions from abroad that perhaps it should control its population and place a greater emphasis on the environment in its phenomenal development. The list goes on and on.

Miami Herald Latin American Editor Don Bohning likens the continuing manifestations of nationalism to an outbreak of measles. He regards it as the single most significant trend to emerge in Latin America in recent years and perhaps in recent decades.

Its impact is felt not only on U.S.-Latin American political relationships but by the business community that is so active in Latin America.

Latins are most sensitive about foreign involvement in what they regard as their national patrimony—their land and its crops, the minerals under the soil, the fish in their coastal waters, basic communications, transportation and power networks.

These are the areas that got ITT, International Petroleum and the copper companies into difficulties. This is where the political pressure for nationalization is strongest, and where private foreign investment is regarded with the greatest suspicion.

Unfortunately, most U.S. companies operating in Latin America tend to be lumped together with all the multinational corporations, which have been described by Progreso, the Latin American magazine of business and economic development, as the hottest controversial subject in Latin America.

On the other hand, Latin Americans generally welcome foreign investment in commerce and manufacturing. They may be touchy, sometimes, about repatriation of profits and about the extent of foreign ownership and management. But on the whole, they are glad to see new plants that spell a better life for people with the manufacture of autos, trucks, radios, appliances and consumer goods of all kinds.

Despite the troubles and turmoils of recent years, American investors continue to pour money into Latin America.

The most recent figures from the Department of Commerce show $750 million in net U.S. private investment in 1971, almost 10 per cent above the year before. Over half of these investments went into the manufacturing sector—trailed, way back at about 16 per cent, by petroleum. The book value of U.S. investments in Latin America passed the $16 billion mark last year.

The point is this—expropriation of oil and copper companies may get the headlines, but there are a lot of solid, relatively non-controversial investment opportunities in Latin America that benefit both parties. They create jobs and needed products for Latins—and reasonable earning opportunities for Americans.

Some Latin countries now make a distinction between acceptable and unacceptable forms of foreign investment. The United States may have to do so, too.

3. The third significant trend of recent years—although it makes a lot of us uncomfortable—is the prevalence of military rule. Approximately 70 per cent of the Latin American population lives under some form of military regime that came to power by force. Chile is only the latest example of this trend.

Says William Montalbano, The Miami Herald's prize-winning Latin American correspondent: "It used to be that you could immediately assume that any general in Latin America kept a good seat in the saddle. Today it's a safe bet that any given general is as comfortable with a slide rule as he is with a horse.

"It used to be that the Latin American military intervened in political affairs as an arbiter to preserve the status quo on behalf of the elite. Today all bets are off.

"The Peruvian generals, as an example, care more about water supply to the slums around Lima than they do about the health of the local oligarchs."

As free Americans, we find it difficult to accept governments that are not freely and democratically elected.

Personally, I find it hard to swallow because for 20 years I saw human freedom grow in those countries along with the standard of living. A courageous free press with the same ideals as ours in North America helped lead to the downfall of such old-style military dictators as Peron in Argentina, Trujillo in the Dominican Republic, Perez Jimenez in Venezuela, and others. The Inter-American Press Association was the catalyst.

As recently as 1968, when I addressed the Annual Assembly of the IAPA in Buenos Aires as your president, I was able to say that Latin America enjoyed one of the highest degrees of press freedom of the world. This is no longer the case. Even while we were meeting in Buenos Aires, we received the news about the military coups in Peru and Panama.

In the early years of the Alliance for Progress, the U.S. government also used to raise hell about military takeovers, and intervened actively to promote democratic forms of government. Since the Dominican revolution in 1965, however, Washington's ardor for sermons against military intervention has cooled.

And President Nixon has deliberately sought to maintain a "low profile"—on the premise that the United States ought to accept governments as they are and not as we think they ought to be.

A new kind of military rule is a fact of life these days in most of Latin America. And there are a couple of things that can be said about what this means:

Just as the Catholic Church has switched from being a virtual arm of the upper classes, as it was in previous centuries, to becoming a vigorous engine of social justice, so the Latin military is no longer what it used to be. The officer corps, by and large, no longer represents the feudal aristocracy of the old Spanish and Portuguese colonizers. Most officers now come from the middle and lower classes.

Chile's military revolted on behalf of the wounded middle class. The soldiers, then, rather than being reactionary guardians of the status quo, tend to be pragmatic, progress-oriented bureaucrats in military garb.

Furthermore, in many under-developed countries, the military establishment may be the only disciplined, well-organized, effective institution on the scene. Political leadership may simply lack the managerial and organizational capacity to get the country on its feet and keep it there.

Certainly there are plenty of examples from recent history to support the argument that under-developed countries may be doomed to go through an undemocratic, dictatorial phase, perhaps under military rule, in order to build the economic and social base for a modern society.

If we have learned one thing from our experience in Southeast Asia, it is that Uncle Sam can no longer call the shots in the world. This is also true in Latin America.

Most Latin Americans would like to have in their relations with us the kind of balance between independence and friendship that Mexico has been able to establish. But their cry is that when they try to redress the social and economic structure by democratic means, it doesn't work. So, they have turned in large numbers to undemocratic regimes.

Now, let me outline some major trends

that are developing in key countries and what I see as the outlook in these areas:

Brazil—Purely from the standpoint of economics, Brazil is one of the most exciting countries in the hemisphere with explosive growth and a people gripped by the spirit of nation-building. Inflation is way down. Exports have tripled to $4 billion. The policies of the military government have inspired a high level of international confidence. The business picture is encouraging.

It appears to me that military rule is likely to be around for quite a while, and that probably means continued press restrictions.

In Chile, which went from one extreme to the other in the Sept. 11 coup against the last Marxist President Salvador Allende, the new military junta could be in trouble if it can't hold the country together without terrible repression. If that is necessary, our correspondents believe a sapping civil war of the Northern Ireland variety is a possibility.

In Argentina, economic stagnation and political frustration helped bring Peron back. He is regarded by many as the last best hope for Argentina. Even so, the short term outlook is unfavorable, the midterm at best uncertain and the long-term unpredictable.

In Peru, a "new" military continues to exert its independence from both the Communist and Capitalist blocs and experiment with social and economic programs patterned after, if not imported from Yugoslavia. Again, the generals appear destined for a long run and the direction which they are taking the country could be continued for some time.

In Venezuela, political democracy as it is most commonly practiced gets another test in December with presidential elections. It will be the fourth free election since Perez Jimenez was overthrown and there is nothing to suggest that constitutional government will be interrupted.

Panama, for its size, continues to be one of the most perplexing and potentially explosive political problems for the United States in Latin America. It's important, and the importance of reaching an amicable agreement on the Panama Canal was demonstrated recently by President Nixon's appointment of Ellsworth Bunker as the chief U.S. diplomat in the ongoing negotiations. Even so, no resolution to the canal problem is in sight.

On a broader and less tangible scale, some of the things that bear watching are efforts to reform the Organization of American States; the Law of the Sea conference in Chile next year; Venezuela's extension of its influence into the English-speaking Caribbean; and the increasing weariness of Brazil by some of its neighbors who see the country becoming the hemisphere's newest imperial power.

Now, let me conclude with a few observations about the future of U.S. relations with Latin America, and of IAPA itself.

It was before the IAPA four years ago that President Nixon outlined his "low profile" approach to Latin America and stated U.S. willingness to accept governments as they are in the area.

Rightly or wrongly, that policy has been greeted ambivalently by Latin Americans. While they appreciate the non-interference in their affairs, they also have regarded it as a form of benign neglect.

There is some evidence that this may change. The appointment of Henry Kissinger as U.S. Secretary of State and his recent pronouncements on Latin America have been hailed as a good omen, especially when he said that we must pursue a "policy of partnership in the Western Hemisphere . . . a spirit of compromise produced by a sense of common destiny."

IAPA itself has had a fairly low profile, but not because of neglect or any lack of faith in our principles. And we certainly do have a sense of common destiny.

One reason for the change is that the press is confronted with a whole new ball game in Latin America. Most military rulers fear a free, independent press as a threat to their control. And it is the old story of the people themselves being willing to give up some freedom in exchange for stability and the promise of a better life.

A second and vital factor at this critical time for IAPA is what is happening in the United States.

If your particular country to the south sometimes feels neglected, remember that we in the north are increasingly preoccupied by massive problems of our own—such as inflation and strains on the economy, the scandals of Watergate and Agnew, the war in the Mideast, the energy crisis, food and fuel shortages, federal controls, etc., etc.

Many of us remember the early struggles and the many successes of IAPA. We always took for granted freedom of the press in the U.S. We have enjoyed that freedom for nearly 200 years without serious threat even in war time. This is no longer the case.

The press here is under serious challenge on many fronts:

Illegal wiretaps and undercover investigations of newsmen; the first attempt in our history to invoke prior restraint to prevent publication of material the government doesn't want printed; a rash of subpenas of reporters' notes; a widespread propaganda campaign to discredit and intimidate the press, and especially the government-licensed electronic news media; attacks on newsmen's rights to protect their sources. An even greater danger, I believe, is the growing collision between the press and the judiciary. A current example is The Miami Herald case on right of reply.

The U.C. press has fought back. It has refused to be intimidated. Newsmen have gone to jail to protect sources. The press has played a major role in uncovering scandals that have rocked the administration. The adversary relationship between a free press and the government has proved again to be crucial to the democratic system. Nevertheless, the fight has left its scars in a growing public skepticism of the press.

Thus, we have our problems, north and south. We in IAPA must not give up the fight in some countries simply out of frustration or because previous tactics no longer seem to work. Public opinion is still the most powerful force in the hemisphere.

THE ISSUE OF RESIGNATION

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, Members of this House are quite well aware that we do not have a parliamentary system in this country where prime ministers rise and fall depending upon their popularity, the positions they espouse at any given time, or the number of call girls operating among their cabinet members.

Just because our Vice President saw fit to resign because of his problems there is no good reason for our President to pursue that course of action, for the cases are not comparable.

All this talk of the prospects of the President resigning is ridiculous and only serves to disrupt and confuse.

Our Constitution specifically provides for the removal of a President by way of impeachment and the House Judiciary Committee is currently in the process of considering the several impeachment resolutions that have been introduced. I suspect that if an impeachment resolution were brought to a vote in this House today it would be soundly defeated, which makes all this talk with respect to resignation purely academic.

Mr. Speaker, yesterday's editorial entitled "Resignation" in the Washington Star-News, it seems to me, is very appropriate for the times, as is the article by Richard Wilson appearing in the same edition and entitled "The Case Against Nixon's Resigning." I include the text of both to be reprinted at this point in the RECORD:

RESIGNATION

Some of President Nixon's erstwhile supporters have joined with many of his ancient foes in clamoring for his resignation. We have no intention of adding our voice to that chorus, which is unseemly, unfair and unwise, from the point of view not only of Mr. Nixon but of the nation.

Which is not to say that we are convinced of the pristine purity of the President. Far from it: We have the gravest doubts as to Mr. Nixon's fitness to occupy the highest office in the land.

The point is that resignation would resolve none of those doubts. Indeed, such an act would obscure, perhaps forever, the vital question of Mr. Nixon's innocence or guilt in the Watergate affair and its attendant scandals. There would be no catharsis in this. Indeed, resignation would leave a legacy of bitterness and suspicion in at least that 27 percent of the electorate which, by some mind-boggling leap of faith, continues to believe that Mr. Nixon is doing a good job as President and is innocent of complicity in Watergate.

Some of those who are asking Mr. Nixon to step down are doing so on the grounds that he has lost his capacity to govern, that he is politically "crippled." It is true that Mr. Nixon's power and prestige have been impaired and, given what we now know about Watergate, that is not altogether a bad thing. But "crippled"? That must come as news to the President's opponents on the Hill, who have been unable to override one of his eight vetoes (the most recent on October 30) this year. It must also come as news to both sides in the Mideast crisis.

When a tide of emotion is running high, it is easy to get swept away. So perhaps it is worth recalling that Mr. Nixon's popularity has not yet fallen to the 1951 level of a president now widely regarded as one of our near-great leaders—Harry S. Truman.

In any event, ours is not a parliamentary system under which a president is accountable to sudden gusts in the fickle wind of public opinion. No charges of criminality have been lodged against him and the President cannot be compelled to resign an office to which he was lawfully elected.

If he is to be required to step down, Mr. Nixon is first entitled to his day in court. If he has been guilty of "high crimes and misdemeanors," if he has violated his oath to see to it that the laws are justly enforced, then he—and the American people—are entitled to a bill of particulars.

There are those who draw back in fear from the trauma of impeachment proceedings. We have a greater faith in the toughness of the American people, the resiliency of our institutions and the genius of our Constitution.

In our view, the first order of business ought to be the confirmation by the Senate of Vice President-designate Gerald Ford. For if Mr. Nixon is to be swept aside, it is essential that the people's mandate of 1972 be assured. It is to the credit of House Majority Leader Carl Albert, at present the next in line for the presidency, that he realizes that a democratic succession would destroy the legitimacy of the government.

Once Ford has been confirmed, the House

Judiciary Committee ought to move with all deliberate speed in its investigation to establish whether a case for the impeachment of the President exists. Should it so find, it will be up to the House to act upon the committee's recommendation, either rejecting it or sending it forward to the Senate.

The national weal requires a speedy and definitive end to the Watergate scandal. But that end must be fair to the President and to the country, and it must be seen to be fair.

Article II of the Constitution provides for the removal of a president from office. It would be the final irony if a president charged by his opponents with abusing the Constitution were hounded from office by a constitutional short-cut which might poison the well of American politics for generations to come.

A forced resignation would leave an intolerable question mark on the political horizon and create more stresses than it would relieve. It ought not to be contemplated.

THE CASE AGAINST NIXON'S RESIGNING

(By Richard Wilson)

A president skulking from office in tacit admission of horrendously described crimes against the people is not to be compared to the Agnew incident. The event would be of an entirely different magnitude.

The consequences which would flow from it would be unpredictable, and this must be a factor which President Nixon has taken into consideration in standing firm against resigning.

The case which is publicly made by the advocates of resignation can be summed up in one long and flaming paragraph. Nixon's moral and political authority has disintegrated for these reasons:

Illegal acts against domestic radicals. Guilty knowledge of the Watergate coverup. Corrupt political financing on a multi-million dollar scale by seekers of favorable government action. Erratic and tricky moves in blocking full inquiry of corruption. Avoidance of income taxes through legally dubious deductions. Offense to public sensibilities by major government expenditures on two private homes beyond his means purchased through the financing of friends. He can no longer govern.

Every charge and implication in the foregoing flaming paragraph is categorically refuted by a president who, if he resigned under fire, would be held as guilty as Agnew. It would be little comfort to him that his final act as president was for the good of the nation. His name would be disgraced for all time.

This unfolding is scarcely in the design of a man who has dominated the political scene for the past 25 years. Nixon has been with us for a quarter of a century in varying degrees of controversy and it should be no surprise to anyone that after periods of agony and doubt he always decides to fight.

He is not in the position of former Vice President Agnew, faced with documented testimony of four prosecution witnesses, and bargaining to escape jail. The case against Nixon has not yet been made on a legal basis.

The very extremity of the statements being made against him renders it virtually obligatory that he fight to clear his name of any tinge of criminality.

There are other consequences. The alternative to Nixon is not an inviting one. He would be followed by an untested successor whose first act would be to pick another new vice president. The country would enter a new period of doubt and uncertainty at a critical time in world affairs.

Impeachment, with a fair and impartial judgment, might be better for the health of the country than the festering doubt that he had been fairly treated.

As for capability to govern, the President is governing. He is preparing a new budget to be submitted to Congress in January. He is proceeding with a settlement in the Middle East after successful coordination with the Soviet Union under ominous circumstances produced an Arab-Israeli cease-fire.

Certain circumstances can be imagined in which the President might find it impossible to continue. If the Republican leadership demanded his resignation, of which there is no sign, he would be hard pressed.

But the demand for his resignation from hostile partisan sources and from publications he does not respect—and in the ferocious terms which have been used—merely serves to bring home to him that resignation would be equal to acknowledgment of a guilt which he denies.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MAHON (at the request of Mr. POAGE), for today, on account of illness of his wife.

Mr. DE LA GARZA (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. GUYER (at the request of Mr. ARENDS), from 3 p.m. for the remainder of the day, 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. SYMMS) and to revise and extend their remarks and include extraneous matter:)

Mr. HUNT, for 5 minutes today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

The following Members (at the request of Mrs. COLLINS of Ilinois), to revise and extend their remarks, and to include extraneous matter:)

Mr. CULVER, for 10 minutes, today.

Mr. DENT, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. BRASCO, for 5 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. ROONEY of Pennsylvania, for 5 minutes, today.

Mr. FULTON, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. DANIELSON, for 30 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. SMITH of Iowa, for 10 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LANDRUM, and to include extraneous matter.

(The following Members (at the request of Mr. SYMMS) and to include extraneous matter:)

Mr. SCHERLE in 10 instances.

Mr. FINDLEY in five instances.

Mr. DEL CLAWSON.

Mr. QUIE in two instances.

Mr. ERLENBORN.

Mr. VANDER JAGT.

Mr. ARCHER.

Mr. BROYHILL of Virginia.

Mr. HUNT.

Mr. BAKER.

Mr. FRENZEL.

Mr. POWELL of Ohio in two instances.

Mr. GILMAN.

Mr. ARMSTRONG in two instances.

Mr. KETCHUM.

Mr. HUBER in two instances.

Mr. STEIGER of Wisconsin.

Mr. FROEHLICH.

Mr. DERWINSKI in three instances.

Mr. RAILSBACK.

Mr. WYMAN in two instances.

Mr. SPENCE.

Mr. SNYDER.

(The following Members (at the request of Mrs. COLLINS of Illinois), and to include extraneous matter:)

Mr. ROYBAL in 10 instances.

Mr. RODINO in two instances.

Mr. KYROS.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. BADILLO.

Mr. VANIK in two instances.

Mr. DORN in three instances.

Mr. ICHORD.

Mr. RIEGLE.

Mr. REUSS in seven instances.

Mr. MAZZOLI.

Mr. PATTEN.

Mr. HARRINGTON in four instances.

Mr. JOHNSON of California.

Mr. CAREY of New York in two instances.

Mr. BRASCO in six instances.

Mr. LONG of Maryland in 10 instances.

Mr. DOWNING.

Mr. DRINAN in five instances.

Mr. ANDERSON of California in two instances.

Mr. BOLAND in two instances.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 55. Concurrent resolution authorizing the printing of the report of the proceedings of the 46th biennial meeting of the Convention of American Instructors of the Deaf as a Senate document; to the Committee on House Administration.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on November 7, 1973, present to the President, for his approval 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.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, November 12, 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:

1536. A letter from the President of the United States, transmitting a letter from the Acting Secretary of the Navy recommending increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes (H. Doc. No. 93–183); to the Committee on Armed Services and ordered to be printed.

1537 A letter from the Secretary of Transportation, transmitting a report on Department of Transportation contracts for experimental, developmental, or research work negotiated under 10 U.S.C. 2304(a) (11) and (16) during the 6 months ended September 30, 1973, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

1538. A letter from the chairman, Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, transmitting the annual report of the Committee for fiscal year 1973, pursuant to section 1(i) of Public Law 92–28; to the Committee on Government Operations.

1539. A letter from the Secretary of the Interior, transmitting a report recommending the addition of the Little Miami River, Ohio, to the National Wild and Scenic Rivers System, pursuant to Public Law 90–542 (H. Doc. No. 93–184); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

RECEIVED FROM THE COMPTROLLER GENERAL

1540. A letter from the Comptroller General of the United States, transmitting a report on the limited success of federally financed minority businesses in three cities; 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. ROONEY of New York: Committee of conference. Conference report to accompany H.R. 8916 (Rept. No. 93–625). Ordered to be printed.

Mr. FLOOD: Committee of conference. Conference report to accompany H.R. 8877 (Rept. No. 93–626). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UDALL (for himself, Ms. BURKE of California, Mr. DELLENBACK, Mr. HOSMER, Mr. OWENS, Mr. RUNNELS, and Mr. WON PAT):

H.R. 11343. A bill to provide for a national fuels and energy conservation policy, to establish an Office of Energy Conservation in the Department of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr BROYHILL of Virginia:

H.R. 11344. A bill to extend daylight saving time to the entire calendar year; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 11345. A bill to amend the Public Health Service Act to establish a comprehensive program of health care benefits (including catastrophic coverage) to be available to all individuals and families in the United States at a cost related to their income; to the Committee on Interstate and Foreign Commerce.

By Mr. BROTZMAN:

H.R. 11346. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 11347. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. HEINZ, and Mr. PRITCHARD):

H.R. 11348. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. ST GERMAIN, Mrs. HECKLER of Massachusetts, and Mr. MEZVINSKY):

H.R. 11349. A bill to amend the Social Security Act to provide the States with maximum flexibility in their programs of social services under the public assistance titles of the act; to the Committee on Ways and Means.

By Mr. CULVER:

H.R. 11350. A bill to assist in community development, with particular reference to small communities; to the Committee on Banking and Currency.

By Mr. DANIELSON:

H.R. 11351. A bill to provide for the conservation of petroleum and other natural resources by imposing an excise tax on the sale of certain gasoline powered automobiles according to the rate at which such automobiles consume fuel, and for other purposes; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 11352. A bill to amend the Community Mental Health Centers Act to provide for the extension thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN:

H.R. 11353. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 11354. A bill to provide for increased participation by the United States in the International Development Association; to the Committee on Banking and Currency.

H.R. 11355. A bill to provide for increased U.S. contributions to the Special Funds of the Asian Development Bank; to the Committee on Banking and Currency.

By Mr. MILFORD:

H.R. 11356. A bill to amend the Social Security Act to make certain technical and conforming changes; to the Committee on Ways and Means.

By Mr. PETTIS:

H.R. 11357. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ROY:

H.R. 11358. A bill to direct the President to halt all exports of gasoline, No. 2 fuel oil, and propane gas until he determines that no shortage of such fuel exists in the United States; to the Committee on Banking and Currency.

By Mr. SIKES (for himself, Mr. HALEY, Mr. BENNETT, Mr. PEPPER, Mr. FUQUA, Mr. ROGERS, Mr. FASCELL, Mr. GIBBONS, Mr. BURKE of Florida, Mr. FREY, Mr. YOUNG of Florida, Mr. CHAPPELL, Mr. GUNTER, Mr. BAFALIS, and Mr. LEHMAN):

H.R. 11359. A bill requiring studies to be made prior to leasing military facilities for oil drilling or exploration, and for other purposes; to the Committee on Armed Services.

By Mr. THONE:

H.R. 11360. A bill to provide the authorization for fiscal year 1974 and succeeding fiscal year for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes; to the Committee on Government Operations.

H.R. 11361. A bill to provide for the appointment of a Special Prosecutor, and for other purposes; to the Committee on the Judiciary.

H.R. 11362. A bill to define the powers and duties and to place restrictions upon the grounds for removal of the Special Prosecutor appointed by the Acting Attorney General of the United States on November 5, 1973, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNG of South Carolina (for himself, Mr. ROSE, Mr. YOUNG of Texas, Mr. CASEY of Texas, Mr. BREAUX, Mr. HUBER, Mr. SYMMS, and Mr. DAVIS of South Carolina):

H.R. 11363. A bill to provide for the control of imported fire ants by permitting the judicious use of Mirex in coastal counties; to the Committee on Agriculture.

By Mr. ANDERSON of Illinois (for himself and Mr. CONTE):

H.R. 11364. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois (for himself, Mr. HORTON, Mr. BELL, Mr. FINDLEY, Mr. GUDE, Mr. HARRINGTON, Mr. JOHNSON of Pennsylvania, Mr. MILFORD, Mr. ROBISON of New York, Mr. PODELL, Mr. J. WILLIAM STANTON, Mr. WARE, and Mr. WHITE):

H.R. 11365. A bill to reorganize and consolidate certain functions of several Federal agencies and departments in a new Criminal Justice Services Administration in the Department of Justice to promote more effective operations and management of the Federal systems of criminal justice; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 11366. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 11367. A bill to amend titles II and XVIII of the Social Security Act to provide for payment of wife's and husband's insurance benefits at age 50 in cases of disability, and to provide medicare coverage at age 50 for disabled wives and husbands, on the same basis as is presently provided for disabled widows and widowers; to the Committee on Ways and Means.

By Mr. CONLAN:

H.R. 11368. 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 con-

sent 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. DENNIS (for himself, Mr. SMITH of New York, Mr. MAYNE, Mr. HOGAN, Mr. COHEN, and Mr. BUTLER):

H.R. 11369. A bill to define the powers and duties and to place restrictions upon the grounds for removal of the Special Prosecutor appointed by the Acting Attorney General of the United States on November 5, 1973, and for other purposes; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 11370. A bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 11371. A bill to establish an independent Special Prosecution Office, as an independent agency of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mr. CLEVELAND, and Mr. SNYDER):

H.R. 11372. A bill to conserve energy on the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. HUNT (for himself, Mr. SYMMS, Mr. KING, Mr. RONCALLO of New York, Mr. BAUMAN, Mr. BAKER, Mr. GUYER, Mr. LOTT, Mr. CRANE, Ms. HOLT, Mr. SNYDER, Mr. HUBER, and Mr. FROEHLICH):

H.R. 11373. A bill to require an investigation conducted by the Attorney General of any person designated as next in line to act as President in the case of a vacancy in the Office of Vice President, whenever such vacancy exists, to the Committee on the Judiciary.

By Mr. McSPADDEN:

H.R. 11374. A bill to return to the Congress those things which shall reflect the intent of Congress without bureaucratic misinterpretation; to the Committee on Rules.

By Mr. MARAZITI:

H.R. 11375. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on the Judiciary.

By Mr MATHIAS of California (for himself, Mr. YOUNG of Alaska, Mr. HINSHAW, Mr. MICHEL, Mr. MAYNE, Mr. ROYBAL, Mr. WON PAT, Mr. REES, Mr. FORSYTHE, Mr. CHARLES H. WILSON of California, Mr. DERWINSKI, Mr. COLLINS of Texas, Mr. CHARLES WILSON of Texas, Mr. ZWACH, Mr. BURGENER, Mr. NICHOLS, Mrs. HECKLER of Massachusetts, Mr. WARE, and Mr. HASTINGS):

H.R. 11376. A bill to amend the act which created the United States Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes; to the Committee on the Judiciary.

By Mr. MOAKLEY (for himself, Mr. YATRON, and Mr. HAMILTON):

H.R. 11377. A bill to amend title 3 of the United States Code to provide for the order of succession in the case of a vacancy both in the Office of President and Office of the Vice President, to provide for a special election procedure in the case of such vacancy, and for other purposes: to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 11378. A bill to authorize the Atomic Energy Commission to enter into a cooperative agreement with the State of Utah to contain and render harmless uranium mill tailings, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. OWENS (for himself and Mr. JONES of Oklahoma):

H.R. 11379. A bill to provide for testing of the fuel consumption per mile of all motor vehicles sold or manufactured in the United States, and to limit vehicle purchases by the Federal Government to motor vehicles which have relatively low fuel consumption; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 11380. A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police-community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 11381. A bill to reorganize and consolidate certain functions of several Federal agencies and departments in a new Criminal Justice Services Administration in the Department of Justice to promote more effective operations and management of the Federal system of criminal justice; to the Committee on the Judiciary.

By Mr. PREYER (for himself, Mr. CULVER, and Mr. STOKES):

H.R. 11382. A bill to confer jurisdiction upon the district courts of the United States over certain civil actions brought by the Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 11383. A bill to establish a Federal Elections Commission, to reform the conduct of campaigns for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. ROE:

H.R. 11384. A bill to amend title II of the Social Security Act to reduce from 60 to 50 the age after which a widow or widower may remarry and still receive at least a reduced widow's or widower's insurance benefit, retroactive to 1970; to the Committee on Ways and Means.

By Mr. ROGERS (for himself, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT):

H.R. 11385. A bill to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT):

H.R. 11386. A bill to amend the Public Health Service Act to provide Federal assistance for information and education programs respecting sudden infant death syndrome and for projects respecting its cause; to the Committee on Interstate and Foreign Commerce.

H.R. 11387. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism; to coordinate the National Institute of Mental Health, the National Institute on Alcoholism and Alcohol Abuse, and the National Institute on Drug Abuse; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHRIVER (for himself, Mr. HUDNUT, Mr. WYMAN, Mr. ANDERSON of Illinois, Mr. BAUMAN, Mr. BUTLER, Mr. FRENZEL, Mr. FULTON, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. REES, Mr. REID, Mr. ROE, and Mr. TOWELL NEVADA):

H.R. 11388. A bill to amend the Community Mental Health Centers Act to provide for the extension thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H.R. 11389. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mr. TAYLOR of North Carolina:

H.R. 11390. A bill to amend title 23, United States Code, to insure that no State will be apportioned less than 80 percentum of its tax contribution to the Highway Trust Fund; to the Committee on Public Works.

By Mr. WRIGHT:

H.R. 11391. A bill to amend the Federal Property and Administrative Services Act of 1949 and other pertinent statutes of the United States Code in order to establish Federal policy concerning the selection of firms and individuals to perform accounting services for the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.J. Res. 818. Joint resolution to amend title 5, United States Code, in order to designate November 11 of each year as Veterans Day, to the Committee on the Judiciary.

By Mr. MILLER:

H.J. Res. 819. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

By Mr. RHODES (for himself, Mr. BADILLO, Mr. BROWN of California, Mr. BURGENER, Mr. COLLINS of Texas, Mr. GUDE, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. RANGEL, Mr. SCHNEEBELI, Mr. TEAGUE of California, Mr. TOWELL of Nevada, Mr. CHARLES H. WILSON of California, and Mr. YOUNG of Alaska):

H.J. Res. 820. Joint resolution to express the sense of Congress that a White House Conference on the Handicapped be called by the President of the United States; to the Committee on Education and Labor.

By Mr. TIERNAN:

H.J. Res. 821. Joint resolution to express the sense of Congress that a White House Conference on the Handicapped be called by the President of the United States; to the Committee on Education and Labor.

By Ms. ABZUG:

H. Res. 690. Resolution calling for the immediate exchange of prisoners of war between Israel, Egypt, and Syria and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of rule XXII, private bills and resolutions were introduced and, severally referred as follows:

Mr. WINN introduced a bill (H.R. 11392) for the relief of Raymond Monroe, which was referred to the Committee on the Judiciary.