way that the Middle East now is, but there, nevertheless.

On world matters, we are not dealing with children, but with skilled negotiators, eager to press every advantage. If anyone doubts that, he or she should take another look at the wheat deal.

No one who has stepped inside a food market recently or applied at a bank for a home mortgage would quarrel with the fact that economy is a number one issue. But it is just as disquieting to consider that the same folks who brought us this economic mess are also managing our international relations.

A LETTER FROM A FARMER'S DAUGHTER

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1973

Mr. SCHERLE. Mr. Speaker, I have received the following letter from my constituent, Teri Benson of Jefferson, Iowa. As a farmer, I know that few people realize what our life and profession is like. Teri has asked me "to set the people of this country straight." I can think of no better way than by sharing her letter with my colleagues:

JEFFERSON, IOWA,
November 6, 1973.

Hon. WILLIAM SCHERLE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SCHERLE: For many years there has been great dissension toward farmers. For some reason, people in this country are quite narrow minded. They seem to think that farmers are rich and have it easy. I'm the only daughter of a farmer here in Jefferson, Iowa, and I know from experience that it is not true. Of course, there are always some in every profession that this might apply to, but if you took a survey of all of Iowa farmers, you would find that a large percentage are having quite a few struggles to make ends meet or to compete with modern big farmers.

Take the price of cattle and hogs. First, the farmer must buy replacements for his herds, then buy feed and modern equipment to get the biggest gain on his animals. This amounts to a lot of money! Then, when prices are frozen, the poor, small farmer can't get much profit, if any, from his cattle or hogs.

Then consider the risks a small farmer, or any farmer, takes with his crops, such as corn and beans, which are the major crops raised here in Iowa. First, in the spring, my father has to worry about getting the crops in and making a decent seedbed. Of course, he also has to worry about getting fertilizers, chemicals, and the brand and hybrid of seeds he needs. Considering the very wet and disagreeable weather we've had the last few years its been a hectic and often discouraging race against time and fate.

In the fall he has to worry about whether or not he'll get his crops out. Sometimes, like last year, he was still working clear up till after Thanksgiving. What a headache!

I think something should be done about this. People blame the farmer for food inflation. That's not right! If it weren't for the farmer in this country, there would be no country! I think we should set the people of this country straight! Let them know of the plight of the small farmer, and do something about it before its too late and there are no more small farmers!

Sincerely,

TERI BENSON.

HOUSE OF REPRESENTATIVES—*Monday, November 26, 1973*

The House met at 12 o'clock noon.

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

Watch ye, stand firm in your faith, be courageous, be strong. Let all that you do be done in love.—I Corinthians 16: 13, 14.

Almighty God, again we assemble in this Chamber after a brief recess and first of all we lift our hearts unto Thee in prayer. Facing the days of this week and the tasks of these hours, grant unto us a vivid sense of Thy presence that in our minds there may be understanding, in our hearts peace, and in all relationships—good will.

Keep us unwavering in our loyalty to the best interests of our country, unfaltering in our courage as we seek solutions to the perplexing problems which confront us, and unalterably just and kind in all our dealings with one another.

Kindle in our hearts and in the hearts of all people a desire to cultivate the fine art of living together in good will, with justice and for peace in our world.

In the spirit of Christ we offer this our morning prayer. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 9575. An act to provide for the enlistment and commissioning of women in the Coast Guard Reserve, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1284. An act to amend title 5, United States Code, to improve the administration of the leave system for Federal employees;

H.R. 2533. An act for the relief of Raphael Johnson;

H.R. 3334. An act for the relief of Maria Lourdes Rios;

H.R. 3758. An act for the relief of Isabel Eugenia Serrane Macias Ferrier;

H.R. 8528. An act to provide for increasing the amount of interest paid on the permanent fund of the U.S. Soldiers' and Airmen's Home;

H.R. 9256. An act to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes;

H.R. 10511. An act to amend section 164 of the Federal-Aid Highway Act of 1973 relating to financial assistance agreements; and

H.R. 11459. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11459) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MANSFIELD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. MCCLELLAN, Mr. SYMINGTON, Mr. CANNON, Mr. SCHWEIKER, Mr. MATHIAS, Mr. BELLMON, Mr. YOUNG, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, joint and concurrent resolutions, of the following titles, in which the concurrence of the House is requested:

S. 97. An act for the relief of Jose A. Seradilla;

S. 663. An act to improve judicial machinery by amending title 28, United States Code, with respect to judicial review of decisions of the Interstate Commerce Commission, and for other purposes;

S. 928. An act to create a catalog of Federal assistance programs, and for other purposes;

S. 1038. An act to amend title 37, United States Code, to authorize travel and transportation allowances to certain members of the uniformed services in connection with leave;

S. 1206, An act for the relief of Concepcion Velasquez Rivas;

S. 1398. An act to authorize the Secretary of the Treasury to transfer to the Government of the Republic of the Philippines funds for making payments on certain pre-1934 bonds of the Philippines, and for other purposes;

S. 1418. An act to recognize the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions on the Organization of the Executive Branch, and his service as 31st President of the United States, and in commemoration of the 100th anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace;

S. 1673. An act for the relief of Mrs. Zosima Telebanco Van Zanten;

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt);

S. 2267. An act to amend section 303(b) of the Interstate Commerce Act to remove certain restrictions upon the application and scope of the exemption provided therein, and for other purposes;

S. 2299. An act to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes;

S. 2551. An act to authorize the disposal of molybdenum from the national stockpile, and for other purposes;

S. 2589. An act to declare by congressional action a nationwide energy emergency; to authorize the President to immediately undertake specific actions to conserve scarce fuels and increase supply; to invite the de-

velopment of local, State, National, and international contingency plans; to assure the continuation of vital public services; and for other purposes;

S. 2714. An act to amend section 291(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, relating to cost-of-living increases, and to increase the pay and allowances of certain officers of the Armed Forces whose pay and allowances are not subject to adjustment to reflect changes in the Consumer Price Index;

S.J. Res. 40. Joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1976;

S.J. Res. 126. Joint resolution to authorize and request the President to issue annually a proclamation designating the fourth Sunday in May of each year as "Grandparents Day";

S.J. Res. 168. Joint resolution to authorize the President to designate the period from February 10, 1974, through February 16, 1974, as "National Nurse Week"; and

S. Con. Res. 57. Concurrent resolution expressing the sense of the Congress that housing, housing assistance, and community development programs authorized by Congress should be carried out at levels at least equal to the levels prevailing in calendar year 1972, until such time as funds appropriated for such programs are exhausted or the Congress enacts legislation terminating or replacing such programs.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 16, 1973.

Hon. CARL ALBERT,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: Pursuant to the permission granted on November 15, 1973, the Clerk has received from the Secretary of the Senate the following messages:

That the Senate agreed to the conference report on S. 2408, An Act to authorize certain construction at military installations, and for other purposes;

That the Senate agreed to the House amendment to S. 2681, An Act to authorize appropriations for the United States Information Agency; and

That the Senate agreed to the House amendments to the Senate amendments to H.R. 9474, An Act to amend title 38 of the United States Code to increase the monthly rates of disability and death pensions, and dependency and indemnity compensation, and for other purposes.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By BENJAMIN J. GUTHRIE.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 19, 1973.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: Pursuant to the permission granted on November 15, 1973, the Clerk has received from the Secretary of the Senate the following messages:

That the Senate passed without amendment the following bills:

H.R. 1353. An act for the relief of Toy Louie Lin Heong;

H.R. 1356. An act for the relief of Ann E. Shepherd;

H.R. 1367. An act for the relief of Bertha Alicia Sierra;

H.R. 1463. An act for the relief of Emilia Majowicz;

H.R. 1696. An act for the relief of Sun Hwa Koo Kim;

H.R. 1955 An act for the relief of Rosa Ines D'Elia;

H.R. 2513. An act for the relief of Jose Carlos Recalde Martorella;

H.R. 2628. An act for the relief of Anka Kosanovic;

H.R. 3207. An act for the relief of Mrs. Enid R. Pope;

H.R. 3754. An act for the relief of Mrs. Bruna Turni, Graziella Turni, and Antonello Turni;

H.R. 6828. An act for the relief of Edith E. Carrera;

H.R. 6829. An act for the relief of Mrs. Jose Antonio Trias;

H.R. 7582. An act to amend title 10, United States Code, to entitle the Delegates in Congress from Guam and the Virgin Islands to make appointments to the Service academies;

H.R. 8187. An act to amend section 2031(b)(1) of title 10, United States Code, to remove the requirement that a junior Reserve Officer Training Corps unit at any institution must have a minimum number of physically fit male students;

H.R. 10366. An act to amend title 10, United States Code, to remove the four-year limitation on additional active duty that a nonregular officer of the Army or Air Force may be required to perform on completion of training at an educational institution;

H.R. 10369. An act to amend title 37, United States Code, to provide entitlement to round trip transportation to the home port for a member of the uniformed services on permanent duty aboard a ship being inactivated away from home port whose dependents are residing at the home port;

H.R. 10840. An act to amend the act of August 4, 1950 (64 Stat. 411), to provide salary increases for members of the police force of the Library of Congress;

H.R. 10937. An act to extend the life of the June 5, 1972, grand jury of the United States District Court for the District of Columbia; and

H.J. Res. 735. A joint resolution authorizing the Secretary of the Navy to receive for instruction at the United States Naval Academy two citizens and subjects of the Empire of Iran.

That the Senate recedes from amendments to H.R. 5777, an act to require that reproductions and imitations of coins and political items be marked as copies or with the date of manufacture.

With kind regards, I am

Sincerely,

W. PAT JENNINGS,
By BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 21, 1973.

Hon. CARL ALBERT,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: Pursuant to the permission granted on November 15, 1973, the Clerk has received from the Secretary of the Senate the following message:

That the Senate passed without amendment the following bill:

H.R. 6334. An Act to provide for the uniform application of the position classification and General Schedule pay rate provisions of title 5, United States Code, to certain employees of the Selective Service System.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS.
By W. RAYMOND COLLEY,
Clerk, House of Representatives.

ENROLLED BILLS AND JOINT RESOLUTION OF THE HOUSE AND ENROLLED BILLS OF SENATE SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, November 15, 1973, he did, on November 19, 1973, sign sundry enrolled bills and joint resolution of the House and enrolled bills of the Senate, as follows:

H.R. 5777. An act to require that reproductions and imitations of coins and political items be marked as copies or with the date of manufacture;

H.R. 7582. An act to amend title 10, United States Code, to entitle the Delegates in Congress from Guam and the Virgin Islands to make appointments to the service academies;

H.R. 8187. An act to amend section 2031 (b) (1) of title 10, United States Code, to remove the requirement that a Junior Reserve Officer Training Corps unit at any institution must have a minimum number of physically fit male students;

H.R. 10366. An act to amend title 10, United States Code, to remove the 4-year limitation on additional active duty that a nonregular officer of the Army or Air Force may be required to perform on completion of training at an educational institution;

H.R. 10369. An act to amend title 37, United States Code, to provide entitlement to round trip transportation to the home port for a member of the uniformed services on permanent duty aboard a ship being inactivated away from home port whose dependents are residing at the home port;

H.J. Res. 735. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the United States Naval Academy two citizens and subjects of the Empire of Iran;

S. 2408. An act to authorize certain construction at military installations, and for other purposes; and

S. 2681. An act to authorize appropriations for the U.S. Information Agency.

And on November 21, 1973, sign sundry enrolled bills of the House as follows:

H.R. 1353. An act for the relief of Toy Louie Lin Heong;

H.R. 1356. An act for the relief of Anne E. Shepherd;

H.R. 1367. An act for the relief of Bertha Alicia Sierra;

H.R. 1463. An act for the relief of Amilia Majowicz;

H.R. 1696. An act for the relief of Sun Hwa Koo Kim;

H.R. 1955. An act for the relief of Rosa Ines D'Elia;

H.R. 2513. An act for the relief of Jose Carlos Recalde Martorella;

H.R. 2628. An act for the relief of Anka Kosanovic;

H.R. 3207. An act for the relief of Mrs. Enid R. Pope;

H.R. 3754. An act for the relief of Mrs. Bruna Turni, Graziella Turni, and Antonello Turni;

H.R. 6334. An act to provide for the uniform application of the position classification and General Schedule pay rate provisions of title 5, United States Code, to cer-

tain employees of the Selective Service System;

H.R. 6828. An act for the relief of Edith E. Carrera;

H.R. 6829. An act for the relief of Mr. Jose Antonio Trias;

H.R. 9474. An act to amend title 38, United States Code, to increase the monthly rates of disability and death pensions and dependency and indemnity compensation, and for other purposes;

H.R. 10840. An act to amend the act of August 5, 1950 (6 Stat. 411), to provide salary increases for members of the police force of the Library of Congress; and

H.R. 10937. An act to extend the life of the June 5, 1972, grand jury of the U.S. District Court for the District of Columbia.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON BILL MAKING APPROPRIATIONS FOR DEPARTMENT OF DEFENSE, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CEDERBERG reserved all points of order on the bill.

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

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON SUPPLEMENTAL APPROPRIATIONS BILL, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. CEDERBERG reserved all points of order on the bill.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 593]

Abzug	Blackburn	Collins, Ill.
Anderson, Calif.	Bolling	Collins, Tex.
Anderson, Ill.	Brademas	Coughlin
Andrews, N.C.	Brinkley	Davis, Wis.
Annunzio	Brooks	Dellenback
Armstrong	Brown, Mich.	Dellums
Ashley	Brown, Ohio	Dent
Badillo	Burke, Calif.	Diggs
Beard	Chisholm	Dingell
Bell	Clancy	Dorn
Biaggi	Clark	Downing
	Collier	Dulski
Eckhardt	Macdonald	Roybal
Edwards, Ala.	Martin, Nebr.	Satterfield
Esch	Mathias, Calif.	Shipley
Eshleman	Melcher	Skubitz
Ford, William D.	Mills, Ark.	Snyder
Fraser	Minish	Spence
Goldwater	Mink	Staggers
Grasso	Mitchell, Md.	Steele
Gray	Mitchell, N.Y.	Steiger, Wis.
Green, Pa.	Moakley	Stephens
Grover	Mollohan	Stokes
Gubser	Montgomery	Stubblefield
Gunter	Moss	Tiernan
Hansen, Wash.	Nelsen	Udall
Harrington	Nix	Van Deerlin
Hébert	O'Hara	Veysey
Hungate	Patman	Walsh
Ichord	Pepper	Whitehurst
Jarman	Pickle	Widnall
Johnson, Pa.	Pike	Wilson, Charles, Tex.
Keating	Podell	Wolff
Koch	Powell, Ohio	Wydler
Kuykendall	Reid	Young, Alaska
Kyros	Roe	Young, Ga.
Landrum	Roncallo, N.Y.	Young, S.C.
McEwen	Rooney, N.Y.	Zwach
McKinney	Rose	
	Rostenkowski	

The SPEAKER. On this rollcall 317 Members have recorded their presence by electronic device, a quorum.

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

DEATH OF FORMER CONGRESSMAN TOM PELLY

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

Mr. TEAGUE of California. Mr. Speaker, I have the very sad personal duty to announce to the House the death of former Congressman Tom Pelly, who died very suddenly last week while on vacation in my district. He served for 20 years. He was a magnificent legislator, a perfect gentleman.

I doubt very much if anyone had more friends in this body than he did. I know all Members want to join me in expressing our sorrow about his departure and our sympathy to his family.

I am sure that the gentleman from Washington (Mr. PRITCHARD) is going to later ask for a special order so that we may all pay tribute to a great gentleman, Mr. Pelly.

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

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

Mr. ARENDS. Mr. Speaker, I, too, was saddened by the note that my friend, former Congressman Tom Pelly, had passed away. As the gentleman from California mentioned, he was, indeed, a gentleman, one of the finest men I ever had the privilege of serving with in all the years he was a Member of this great body. He was distinguished in his field and in many fields. He particularly loved politics and enjoyed being in the House as much as any man I ever knew. He was diligent in his attention to his work. He wanted to do his job well, the job the people sent him here to do, and he diligently worked at it.

His loss was felt by many of us when he decided to retire from Congress. We have missed him here during this last year.

As the Republican whip I often conferred with him on many important upcoming votes. He had a mind of his own and voted his convictions. I admired him for the firm positions he held.

I extend my sincere sympathy to the family.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, I would like to join my colleagues in expressing my deep regrets at learning of the death of Tom Pelly.

We came to the Congress in the same year and served together on the Merchant Marine and Fisheries Committee during his entire period of service in the House. Tom did an excellent job in representing his district in the committee, and when he retired at the end of the last Congress, it was a great loss to the committee as well as his district. He was a wonderful gentleman, a good friend, and a great legislator.

I extend my deepest sympathy to Mrs. Pelly and to the members of his family.

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

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

Mr. PRITCHARD. Mr. Speaker, I ask unanimous consent that we have a half hour of special orders on Thursday so that Members may have an opportunity to express their feelings about Tom Pelly.

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

There was no objection.

Mr. PRITCHARD. Mr. Speaker, Tom Pelly was a dear friend of mine even before he came to Congress. He was in the same business as my father, and his family and our family have been very friendly for years. He was a great public servant and one of our distinguished citizens from our State.

Mr. Speaker, I am sure many Members will want to join with me on Thursday when we make some appropriate remarks.

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

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

Mr. ADAMS. Mr. Speaker, I would just like to join with my colleague from Seattle and with the gentleman in the well in saying how much we will miss Tom.

I am looking forward to participating in the special order on Thursday so that we may express to his family our deep sympathy.

THE ENERGY SHORTAGE

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

Mr. SIKES. Mr. Speaker, it is essential that the Government move without further delay to cope with the growing threat of serious energy shortages. Already the hour is late. Necessary programs, some of which have just been advanced, should have been authorized and implemented well before the onset of winter. The administration is late in providing leadership in this field. It should

be noted again that Congress already has approved some legislation to enable the President to cope with the problem.

Plans now have been advanced by the President and generally I support them. He did not recommend rationing of gasoline and I agree this should be avoided if possible. However, there are indications it is inevitable and standby plans should be prepared in the event rationing must be resorted to.

I question that the proposed restrictions on Sunday driving are necessary or wise. There are many people who have legitimate reasons for travel on Sunday for church or business or other matters. They should not be precluded from obtaining gasoline.

The use of car pools and the elimination of unnecessary driving could be effective in savings of gasoline. We have reached the point where nearly every teenager above the age of 16 has an auto, and most people feel they must drive to get across the street. Effective savings in this area would entail voluntary rather than mandatory programs but the effort should be made.

There should be a very early meeting of the minds between Congress and the administration on the steps to be taken for energy savings, and emergency powers should be granted to the President to insure there are no additional, unnecessary delays.

EPA AND CONGRESSIONAL PARKING

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

Mr. HAYS. Mr. Speaker, if reports that I heard this morning are true, then the arrogance of the bureaucrats down at the Environmental Protection Agency is only exceeded by that of the oil sheiks in the Arab world, about which I will have more to say later.

However, I hear the EPA is now saying that they are going to tax Members and Members' staffs for parking in the Rayburn and other garages and parking lots here.

Mr. Speaker, I do not know how my friends on the parking committee will feel—I see one of them sitting here, Mr. GROSS—but as for me, I can only say that it will be a cold day in hell when they get away with that.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, I did not vote on two rollcalls on Tuesday, November 13, 1973, because I was doing Judiciary Committee work in connection with the forthcoming confirmation hearings re GERALD FORD, nominee for Vice President. If I had been present for those votes, I would have voted as follows:

Roll No. 579. Motion to recommit the conference report on H.R. 8877, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies. I would have voted "yea."

Roll No. 581. Agreement to the conference report on S. 1570, Emergency Petroleum Allocation Act of 1973. I would have voted "yea."

LIMITING COAL EXPORTS

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

Mr. HECHLER of West Virginia. Mr. Speaker, I am today introducing legislation to limit the exports of coal.

In 1972, 56 million tons of coal produced in this Nation were exported. That is almost 10 percent of our total production. If we have such an energy crisis that we are forced to resort to strip mining and ripping up the land, then it does not make any sense to export this tremendous amount of our domestic coal production. My legislation would provide an exception to allow the export of coal to Canada, because we import oil from Canada.

In addition to that, it would allow an exemption from the export ban for the export of coal to serve our Armed Forces in foreign nations.

About 85 percent of our coal exports are low-sulfur coal, and the proportion shipped to other countries in 1972 was derived 86 percent from underground mines and 14 percent from strip mines. About 72 percent of our exports are high-grade, metallurgical coal which is used in the manufacture of steel, with the balance being used for steam electric generation.

The coal industry contends that the metallurgical coal is too high priced to be used in this country. I find it hard to believe that any American industrialist would contend that an American product is "too good for Americans." If the quality is too high, it could be blended with lower quality coal and utilized to meet the energy crisis and to stave off the destruction of our land through strip mining.

All of the high-quality export coal could be burned immediately to generate electricity. Because of its low-sulfur content, it would have the added advantage of being a relatively "clean" fuel.

The comparable Btu content of the 56 million tons of exported domestic coal is 613,700 barrels of oil per day. Should we not take advantage of this obvious source of supply and keep it right here at home where it is desperately needed?

The text of my bill, which is geared to H.R. 11450, the bill introduced by my colleague, Representative HARLEY STAGGERS, chairman of the House Interstate and Foreign Commerce Committee, follows:

H.R. —

A bill to amend the Clean Air Act, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110 of the Clean Air Act, as amended (84 Stat. 1683), is amended by adding the following new subsection:

"(h) During any period when the Administrator is authorized to temporarily suspend any provision of this Act or any regulation, limitation, schedule, timetable, or requirement adopted under this Act, all domestically mined coal, as that term is defined in the Federal Coal Mine Health and Safety Act of 1969, except such coal of similar quantity and quality which for purposes of increased efficiency of transportation is either exchanged with persons or the government of an adjacent foreign state, or temporarily exported across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (50 U.S.C., App. 2401 et. seq.). In addition, before any coal subject to this subsection may be exported during such period under the limitations and licensing requirements and penalty and enforcement provisions of said Export and Administration Act of 1969, the President shall (1) make and publish in the Federal Register an express finding that any such export (A) will not diminish the total quantity or quality of mined coal available and needed for domestic uses in the United States during the next succeeding 180 calendar days, and (B) is in the national interest and in accord with the provisions of the Export Administration Act of 1969, and (2) submit a report to the Congress containing such finding. If either House of Congress, after receiving such reports, adopts a resolution disagreeing with such finding within 60 calendar days during which both Houses of Congress have been in session for at least 30 of such days, such export shall be prohibited by the President: *Provided,* That the President may permit such export, without filing such report, if he affirmatively finds, and publishes his finding in the Federal Register, that the export of such coal to any specific foreign state is necessary to insure that the importation of other fossil fuels into the United States from such state is not interrupted. The President, or his delegate, shall, after the enactment of this subsection, promptly issue regulations to implement this subsection and to insure that any person who plans to export such coal after the date of enactment of this subsection will notify the President or his delegate and specify the quantity and quality of the coal to be exported, the port from which it will be exported, the destination of such coal, the name and address of the person or persons mining such coal, and such other information as the regulations may require. The provisions of this subsection shall not apply to coal exports for use by the Defense Department in any foreign state."

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from Georgia (Mr. STUCKEY), a member of the Committee on the District of Columbia.

TAXABILITY OF INSURANCE COMPANY DIVIDENDS

Mr. STUCKEY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first proviso of section 1 of title X of the District of Columbia Revenue Act of 1947 (D.C. Code, sec. 47–1580) is amended to read as follows: ": *Provided, however,* That, in the case of any corporation, the amount received

as dividends from a corporation which is subject to taxation under this subchapter or under title II of the Act entitled "An Act to provide additional revenue for the District of Columbia, and for other purposes", approved August 17, 1937 (D.C. Code, secs. 47–1801—1808), and in the case of a corporation not engaged in carrying on any trade or business within the District, interest received by it from a corporation which is subject to taxation under this subchapter or under such title II of such Act shall not be considered as income, from sources within the District for purposes of this subchapter."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to all taxable years ending after December 31, 1969.

With the following committee amendment:

On page 2, line 13, strike "December 31, 1969" and insert in lieu thereof "December 31, 1973".

The committee amendment was agreed to.

Mr. STUCKEY. Mr. Speaker, I move to strike the last word.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the District bills to be considered today.

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

There was no objection.

Mr. STUCKEY. Mr. Speaker, the purpose of H.R. 6186, as provided in H. Rept. 93–654, is to amend the existing District of Columbia tax laws to provide that dividends and interest received by a corporation from an insurance company subject to the 2% net premium tax imposed by Section 6 of Title II of the District of Columbia Revenue Act of 1947 (D.C. Code, Tit. 47, Sec. 1806), shall not, when paid to the parent corporation, be considered as income from sources within the District, and thus shall not be subject to District of Columbia income tax.

The Committee believes that this legislation would eliminate the unintended discrimination against holding companies receiving dividends from District of Columbia life insurance companies and would thereby encourage holding companies controlling life insurance companies to continue to incorporate and locate the home offices of those life insurance companies in the District of Columbia.

NEED FOR LEGISLATION

During the past ten to fifteen years, the trend within the life insurance industry has been to conduct business within a holding company structure, thereby giving management greater flexibility and increasing substantially the financial strength and operating efficiency of the organization involved. More than 50 holding companies, representing a major part of the life insurance industry, have been formed during the past several decades.

The holding company generally provides its life insurance affiliates with management assistance and a variety of technical services, including investment counseling, actuarial, and data processing services. Through the centralization of investment advisory and other securities operations, and product research and development by its actuarial staff, the holding company is able to improve investment results and promote more effective and efficient operations.

The regulatory climate in the District of Columbia has been favorable to the formation and operation of life insurance companies in the District of Columbia. Furthermore, Congress has never intended to discourage insurance company operations within the District of Columbia when conducted within a holding company structure. The District of Columbia tax laws, however, as construed by the District of Columbia Department of Finance and Revenue, inadvertently discourage the formation of holding companies with life insurance company affiliates located in the District of Columbia and, more importantly, encourage holding companies controlling District of Columbia-based life insurance companies to cause those companies to change their domicile and move their operations outside the District of Columbia.

Present law (D.C. Code, Tit. 47, Sec. 1571(a)) imposes an income tax upon every corporation "for the privilege of carrying on or engaging in any trade or business within the District and of receiving income from sources within the District". Although the D.C. Code (Tit. 47, Sec. 1580) provides that dividends paid by a corporation which is subject to the income tax shall not constitute, in the hands of a receiving corporate stockholder, income from sources within the District, this provision has been construed to be inapplicable to a corporation receiving dividends from a District of Columbia life insurance company, because the exemption for intercorporate dividends is stated to be applicable only when the distributing corporation is subject to the income tax. Insurance companies, because of difficulties encountered in determining their net income, are not subject to the normal District of Columbia corporate income tax, but instead are subject to a net premiums tax imposed "in lieu of" other taxes (D.C. Code, Tit. 47, Sec. 1806).

The purpose of District of Columbia Code (Tit. 47, Sec. 1580) is to insure that at the corporate level income is taxed only once and not a second time when distributed as dividends to a corporate shareholder. This treatment is generally consistent with the Federal income tax law. (Of course, dividend income is taxed a second time when eventually distributed to individual shareholders.)

Since the net premiums tax on life insurance companies is designed to be a complete substitute for the corporate income tax, there is no reason for treating the dividends a holding company receives from a District of Columbia insurance company differently from the dividends it receives from other corporations.

Enactment of this provision of the District of Columbia Code, which has been construed to impose a double tax on the earnings of certain life insurance companies, appears to have been inadvertent and to have occurred when there were no District of Columbia life insurance companies operating as a part of a holding-company structure, before commencement of the current trend to operate life insurance companies within a holding company structure. No other jurisdiction construes its income tax laws to penalize, or has a tax structure which penalizes, as does the District of Columbia, the operation of life insurance companies within a holding company structure.

PROVISIONS OF THE BILL

The bill amends Section 1580 of Title 47 of the District of Columbia Code to provide that, for purposes of the corporate income tax, dividends received by a corporation from any corporation subject to the District of Columbia net premiums tax shall not be considered as income from sources within the District and to provide that interest received by a corporation not engaged in carrying on any trade or business within the District from any corporation subject to the District of Columbia income tax or to the District of Columbia net premiums tax shall likewise not be sonsidered as income from sources within the District.

HISTORY

A public hearing on H.R. 6186 was held by the Subcommittee on Business, Commerce and Taxation on July 16, 1973. Witnesses heard in support of the legislation included the Superintendent of Insurance and the Deputy Superintendent of the District of Columbia Government, and representatives of life insurance companies located in the District of Columbia and environs. There was no testimony opposing the legislation, as amended, and no expression of opposition thereto has been received by the Committee. The Subcommittee, in executive session on November 2, 1973, amended Section 2 of the bill, which had made repeal of the tax retroactive.

H.R. 6186, as amended, was ordered favorably reported by a voice vote of the full Committee on November 5, 1973.

CONCLUSION

The best interests of the District of Columbia will be served by encouraging the continued formation and operation of life insurance companies within the District. H.R. 6186 will remove an unintended obstacle to the formation and operation of such life insurance companies in the District when controlled by a holding company. For this reason, and those reasons indicated above, the Committee recommends enactment of H.R. 6186.

COST

Peoples Life Insurance Company, the principal company affected by the adverse taxation, was acquired by Capital Holding Company, Louisville, Kentucky, in 1969. No dividends were paid in 1969 by Peoples, the first year that the second tax became applicable. In 1970, $69,071 and in 1971, $84,308 were paid to the District as taxes on dividends the holding company received from the D.C. insurance company. No dividends were paid in 1972 to avoid the second tax. It is estimated that taxes in the amount of $100,000 would have been paid in 1972. These tax figures represent the estimated loss of direct revenue to the District of Columbia by this legislation.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA

Mr. BROYHILL of Virginia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia: Page 2, line 7, immediately after "subchapter" insert the following: "; and in the case of any corporation organized as a bank holding company under the provisions of the Bank Holding Company Act of 1956 and the Bank Holding Company Act Amendments of 1970, the amount received as dividends from a corporation which is subject to taxation under this article or under the provisions of paragraph (5) or paragraph (7) of section 6 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902 (D.C. Code, secs. 47–1701 and 47–1703), and in the case of any such bank holding company not engaged in carrying on any trade or business within the District, interest received by it from a corporation which is subject to taxation under such paragraphs, shall not be considered as income from sources within the District for purposes of this subchapter".

The SPEAKER. The gentleman from Virginia is recognized for 5 minutes in support of his amendment.

Mr. BROYHILL of Virginia. Mr. Speaker, as pointed out by the gentleman from Georgia (Mr. STUCKEY), the main purpose of the pending legislation is to eliminate what was apparently an unintended discrimination against holding companies receiving dividends from District of Columbia life insurance companies. As a result of this existing inequity, such holding companies are being subjected to double taxation by the District of Columbia, even though they may be located outside of the District and do not engage in any business within the District.

Like most jurisdictions, the District of Columbia imposes a tax upon all general business corporations on the basis of their net income. Also like other jurisdictions, the District of Columbia exempts dividends paid by a general business corporation from taxation as income when these dividends are paid to and received by a corporate shareholder. This exemption is based, of course, upon the fact that the corporation paying the dividend has already been taxed, and thus the clear purpose is to avoid double taxation. In this respect, the District of Columbia tax treatment of dividends paid by a general business corporation conforms to the treatment of such dividends under the U.S. Internal Revenue Code.

Again in conformity with the practice prevailing in most jurisdictions, life insurance companies in the District of Columbia are not subject to the District of Columbia corporate income tax, but instead are taxed on the basis of their net premiums receipts, because it is very difficult to determine the actual net income of an insurance company.

It would be reasonable to expect that when an insurance company in the District of Columbia pays dividends to a corporate shareholder, or a holding company, the same exemption would apply to such dividends with respect to District taxation as in the case of dividends paid by general business corporations, referred to above, in order to avoid double taxation. And indeed such exemption does apply to insurance company dividends in all other jurisdictions, as well as under the provisions of the U.S. Internal Revenue Code—but not in the District of Columbia.

Undoubtedly because of an oversight, section 47–1580 of the District of Columbia Code does not provide specific language exempting dividends paid to holding companies by life insurance companies in the District from such taxation. As a consequence, the District of Columbia has taken the position that intercorporate dividends paid by a District of Columbia insurance company to a corporate shareholder are taxable, on the grounds that the exemption for such dividends is stated to be applicable only when the distributing corporation "is subject to income tax."

The fact is that the net premiums receipts tax on insurance companies in the District of Columbia is entirely a substitute for the normal corporate income tax, and for this reason I regard this distinction as very far-fetched indeed, as I can see no valid reason for treating the dividends a holding company receives from a District of Columbia insurance company differently from the dividends it receives from other corporations. The result is a double tax burden that is not imposed in any other jurisdiction in this country, nor by the Federal Government.

Inasmuch as the District of Columbia has taken this position, however, it is incumbent upon the Congress to correct this inequity, the results of which can be very damaging to the city itself.

During the past 15 years, there has been a significant trend within the life insurance industry to conduct business within a holding company structure. This concept affords greater flexibility for management, and increases substantially the financial strength and operating efficiency of the organizations involved. Today there are more than 50 such holding companies operating in the United States.

One example of these holding companies is the Capital Holding Corp., which was formed in 1969 by the Commonwealth Life Insurance Co., an operating company located in Louisville, Ky. When Capital Holding Corp. was organized only 4 years ago, Commonwealth Life was its only subsidiary. Today, Capital owns a casualty insurance company, a real estate holding company, a finance company, and eight life insurance companies which do business in 43 States and the District of Columbia.

Capital provides its affiliates with management assistance and a variety of services such as investment counselling, actuarial services, and data processing services. Investment results have improved as a result, and a greater variety of better insurance policies are being offered to customers than ever before. In many ways, the competitive ability of the various members of the Capital group has been substantially improved.

One of the members of this group is the Peoples Life Insurance Co. here in the District of Columbia, which joined the Capital Holding Corp. family in December of 1969. Peoples is one of the more important members of the Capital group, as a well managed, profitable life insurance company which does business in 14 States and the District of Columbia.

At present, Peoples employs more than 300 persons in the District of Columbia. Peoples pays annual real property taxes to the District in excess of $100,000, and it also pays the District net premiums taxes, withholding, sales, and unemployment compensation taxes in excess of $60,000 each year.

The net premiums tax, imposed in lieu of the District's corporate income tax, is paid only on Peoples' earnings from District of Columbia sources. Its earnings from the 14 other States in which it does business are taxed by those jurisdictions, of course, in a similar manner. I am advised that if Peoples' earnings, regardless of sources, are again subjected to District of Columbia tax at the corporate level, that is when they reach Capital Holding Corp., then this added tax burden on these earnings will be increased each year by more than $100,000. This is a tax burden which Capital simply cannot afford to bear—and as I have pointed out, since general business corporate earnings in the District are taxed only once at the corporate level, and further since no other jurisdiction imposes such a tax on life insurance company operations at the holding company level—then they should not be expected to.

As a result of this situation, Peoples has paid no dividends since 1972, and will pay none so long as this inequity of double taxation is imposed on such dividends. Even more serious is the fact that consideration is being given to moving Peoples out of the District of Columbia.

The District cannot afford, in its present financial position, to lose such a company as Peoples Life Insurance Co. Nor does Peoples want to move. They regard their location in this city as an asset in most respects. Recently, the company expanded its operations by acquiring licenses to do business in three additional States. Their management wants to keep the company in the District and to use it as a vehicle for building an even more substantial business enterprise; but they cannot do so unless they can have the benefit of an equitable tax structure in the District, one which places the District on a par with competing jurisdictions and does not penalize life insurance companies for conducting their operations within a holding company structure.

I am advised that there is presently one other life insurance company in the District operating as a part of a holding company and which therefore is affected by this problem. In view of the trend toward such operating structure within the life insurance business, however, there would normally be others in future years. As I have pointed out, this structure has been proved to offer many real benefits to the policyholders of such companies, and thus this trend should be encouraged in the District of Columbia, rather than being forced out of the city by an unfair tax structure.

H.R. 6186 will resolve this problem, by providing that dividends received from a corporation which is subject to taxation

under District of Columbia law and, in the case of a corporation not engaged in carrying on a trade or business within the District, interest received by it from a corporation which is subject to taxation under District of Columbia law, shall not be considered as income from sources within the District.

I understand that the District of Columbia government has no objection to this bill, which will provide justice by eliminating the difference in treatment of dividends paid by corporations paying the regular corporate income tax and by life insurance companies paying the net premiums tax, and will conform the District's tax laws applicable to life insurance company operations with those applicable to such operations in all other jurisdictions.

The amendment I am offering will make the same provisions apply to bank holding companies. Banks in the District of Columbia do not pay income tax, but rather, pay a tax on the net interest that they receive, which is the total interest less the interest they pay on savings accounts. Therefore they are not classified as corporations paying income tax. My amendment would permit the bank holding company to be exempt from paying corporate taxes on the dividends they receive from banks the same as other corporations are exempted from income taxes on interest they receive as dividends from business corporations operating in the District of Columbia.

I have in my hand a letter from the D.C. Commissioner, supporting this amendment. I have discussed this matter with the chairman of the subcommittee of the Committee on the District of Columbia, and I understand he has no objection to it. I also discussed it in the full committee at the time this bill was being considered, but at that time the District government had not had a chance to review the provisions of this amendment. Subsequent to the time the bill was reported out, they had an opportunity to review it, and the following letter expresses the District's approval of this amendment:

THE DISTRICT OF COLUMBIA,
Washington, D.C., November 26, 1973.

HON. JOEL T. BROYHILL,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BROYHILL: This is in response to your letter of November 12, 1973, in which you requested my views on an amendment to H.R. 6186 to extend such relief to banks domiciled in the District of Columbia.

The District Government indicated in its report to Chairman Diggs dated July 16, 1973, that it had no objection to the enactment of Section 1 of the bill. The District did object to Section 2 of H.R. 6186 which would make the bill retroactive to 1970 and thus would have resulted in substantial refunds of taxes already paid by the affected corporations.

The District Government would offer no objection to an amendment to H.R. 6186 to extend relief to banks and savings institutions. We assume that inclusion of such an amendment will in no way jeopardize the provisions of the bill relating to insurance companies in view of the more immediate problems facing the insurance companies. We continue, however, to oppose the retroactive provisions of Section 2.

Because of technical errors in the language of H.R. 6186, we are enclosing an amended version of the bill which we believe will better accomplish the desired purposes.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

Mr. Speaker, I urge the adoption of this amendment and the approval of the bill.

Mr. STUCKEY. Mr. Speaker, I rise in support of the amendment.

I think the gentleman from Virginia has stated the case quite well.

There is no objection from the District of Columbia government with regard to his amendment.

As I stated earlier, there are only three kinds of corporations subject to this tax liability at the present time—banks, life insurance companies, and utilities. These corporations all have this double taxation when in a holding company situation. To make it fair to all concerned, I urge the adoption of the gentleman's amendment at this time and urge the adoption of the bill.

The SPEAKER. The question is on the amendment offered by the gentleman from Virginia (Mr. BROYHILL).

The amendment was agreed to.

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

The title was amended so as to read: "A bill to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions."

A motion to reconsider was laid on the table.

HOLDING COMPANY SYSTEM REGULATORY ACT

Mr. STUCKEY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 7218) to improve the laws relating to the regulation of insurance companies in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill as follows:

H.R. 7218

A bill to improve the laws relating to the regulation of insurance companies in the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Holding Company System Regulatory Act".

SEC. 2. DEFINITIONS.—As used in this Act, unless the context otherwise requires—

(a) "affiliate" (an "affiliate" of, or person "affiliated" with a specific person), means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the person specified;

(b) "commissioner" means the Commissioner of the District of Columbia or his designated agent;

(c) "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10 per centum or more of the voting securities of any other person;

(d) "District" means the District of Columbia;

(e) "insurance holding company system" consists of two or more affiliated persons, one or more of which is an insurer;

(f) "insurer" includes any company defined by section 2, chapter I, of the Life Insurance Act (D.C. Code, sec. 35–302) and by section 3, chapter I, of the Fire and Casualty Act (D.C. Code, sec. 35–1303), authorized to do the business of insurance in the District, except that it shall not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a State or political subdivision of a State;

(g) "person" is an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert, but shall not include any securities broker performing no more than the usual and customary broker's function;

(h) "securityholder" of a specified person is one who owns any security of such person, including common stock, preferred stock, debt obligations, and any other security convertible into or evidencing the right to acquire any of the foregoing;

(i) "subsidiary" of a specified person is an affiliate controlled by such person directly, or indirectly through one or more intermediaries; and

(j) "voting security" includes any security convertible into or evidencing a right to acquire a voting security.

SUBSIDIARIES OF INSURERS

SEC. 3. (a) AUTHORIZATION.—Any domestic insurer, either by itself or in cooperation with one or more persons, may, subject to the limitation stated in subsection (b) of this section, organize or acquire one or more subsidiaries. Such subsidiaries may conduct any kind of business or businesses and their authority to do so shall not be limited by reason of the fact that they are subsidiaries of a domestic insurer.

(b) LIMITED ADDITIONAL INVESTMENT AUTHORITY.—(1) The total amont which a domestic insurer may invest in the common stock, preferred stock, debt obligations, and other securities of the subsidiaries referred to in subsection (a) of this section shall not exceed the lesser of (A) 5 per centum of such insurer's assets, or (B) in the case of a capital stock company, 50 per centum of the excess of its capital, surplus, and contingency reserves over the then required statutory minimum capital and surplus, or, in the case of a mutual company, 50 per centum of the excess of its surplus and contingency reserves over the then required statutory minimum surplus.

(2) In calculating the amount of such investments, there shall be included (A) total net moneys or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of such subsidiary, whether or not represented by the purchase of capital stock or issuance of other securities, and (B) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities, and all contributions to the capital or sur-

plus of a subsidiary subsequent to its acquisition or formation.

(c) EXEMPTIONS FROM INVESTMENT RESTRICTIONS.—The investments permitted under this section shall be in addition to the inevstments in common stock, preferred stock, debt obligations, and other securities permitted under sections 35 and 41 of chapter III of the Life Insurance Act (D.C. Code, secs. 35–535 and 35–541) and section 18, chapter II, of the Fire and Casualty Act (D.C. Code, sec. 35–1321), and the investments under this section shall not be subject to any of the otherwise applicable restrictions or prohibitions contained in the aforesaid sections of law applicable to such investments of insurers.

(d) QUALIFICATIONS OF INVESTMENT: WHEN DETERMINED.—Whether any investment pursuant to this section meets the applicable requirements thereof is to be determined immediately after such investment is made, taking into account the then outstanding principal balance of all previous investments and debt obligations and the value of all previous investments in equity securities as of the date of the new investment.

(e) CESSATION OF CONTROL.—If an insurer ceases to control a subsidiary, it shall dispose of any investment therein made pursuant to this section within three years from the time of the cessation of control or within such further time as the Commissioner may prescribe, unless at any time after such investment was made, such investment meets the requirements for investment under sections 35 and 41, chapter III, of the Life Insurance Act (D.C. Code, secs. 35–535 and 35–541) and section 18, chapter II, of the Fire and Casualty Act (D.C. Code, sec. 35–1521), and the insurer has notified the Commissioner thereof.

ACQUISITION OF CONTROL OF OR MERGER WITH DOMESTIC INSURER

SEC. 4. (a) FILING REQUIREMENTS.—No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, such person would directly or indirectly (or by conversion or by exercise of any right to acquire) be in control of such insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer, unless, at the time any such offer, request, or invitation is made or any such agreement is entered into, or prior to the acquisition of such securities if no offer or agreement is involved, such person has filed with the Commissioner and has sent to such insurer, and such insurer has sent to its shareholders, a statement containing the information required by this section and such offer, request, invitation, agreement, or acquisition has been approved by the Commissioner in the manner hereinafter prescribed. For purposes of this section a domestic insurer shall include any other person controlling a domestic insurer unless such other person is either directly or through its affiliates primarily engaged in business other than the business of insurance.

(b) CONTENT OF STATEMENT.—The statement to be filed with the Commissioner hereunder shall be made under oath or affirmation and shall contain the following information:

(1) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (a) is to be effected (hereinafter called "acquiring party"), and

(A) If such person is an individual, his principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations during the past ten years;

(B) If such person is not an individual, a report of the nature of its business operations during the past five years or for such lesser period as such person and any predecessors thereof shall have been in existence; an informative description of the business intended to be done by such person and such person's subsidiaries; and a list of all individuals who are or who have been selected to become directors or executive officers of such person, or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by subparagraph (A) of this subsection.

(2) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose, and the identity of persons furnishing such consideration: *Provided,* That where a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing such statement so requests.

(3) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years of each such acquiring party (or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence), and similar unaudited information as of a date not earlier than ninety days prior to the filing of the statement.

(4) Any plans or proposals which each acquiring party may have to liquidate such insurer, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(5) The number of shares of any security referred to in subsection (a) which each acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement, or acquisition referred to in subsection (a), and a statement as to the method by which the fairness of the proposal was arrived at.

(6) The amount of each class of any security referred to in subsection (a) which is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

(7) A full description of any contracts, arrangements, or understandings with respect to any security referred to in subsection (a) in which any acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements, or understandings have been entered into.

(8) A description of the purchase of any security referred to in subsection (a) during the twelve calendar months preceding the filing of the statement, by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid therefor.

(9) A description of any recommendations to purchase any security referred to in subsection (a) made during the twelve calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of such acquiring party.

(10) Copies of all tender offers for, requests or invitations for tenders of exchange offers for, and agreements to acquire or exchange any securities referred to in subsection (a), and (if distributed) of additional soliciting material relating thereto.

(11) The terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of securities referred to in subsection (a) for tender, and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto.

(12) Such additional information as the Commissioner may by rule or regulation prescribe as necessary or appropriate for the protection of policyholders and securityholders of the insurer or in the public interest. If the person required to file the statement referred to in subsection (a) is a partnership, limited partnership, syndicate, or other group, the Commissioner may require that the information called for by paragraphs (1) through (12) shall be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any such partner, member, or person is a corporation or the person required to file the statement referred to in subsection (a) is a corporation, the Commissioner may require that the information called for by paragraphs (1) through (12) shall be given with respect to such corporation, each officer and director of such corporation, and each person who is directly or indirectly the beneficial owner of more than 10 per centum of the outstanding voting securities of such corporation. If any material change occurs in the facts set forth in the statement filed with the Commissioner and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the Commissioner and sent to such insurer within two business days after the person learns of such change. Such insurer shall send such amendment to its shareholders.

(c) ALTERNATIVE FILING MATERIALS.—If any offer, request, invitation, agreement, or acquisition referred to in subsection (a) is proposed to be made by means of a registration statement under the Securities Act of 1933 or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, or under a State law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (a) may utilize such documents in furnishing the information called for by that statement.

(d) APPROVAL BY COMMISSIONER; HEARINGS.—

(1) The Commissioner shall approve any merger or other acquisition of control referred to in subsection (a) unless, after a public hearing thereon, he finds that:

(A) After the change of control the domestic insurer referred to in subsection (a) would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(B) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in the District or tend to create a monopoly therein;

(C) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders or the interests of any remaining securityholders who are unaffiliated with such acquiring party;

(D) The terms of the offer, request, invitation, agreement, or acquisition referred to in subsection (a) are unfair and unreasonable to the securityholders of the insurer;

(E) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest; or

(F) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that

it would not be in the interest of policyholders of the insurer or of the public to permit the merger or other acquisition of control.

(2) The public hearing referred to in paragraph (1) shall be held within thirty days after the statement required by subsection (a) is filed, and at least twenty days' notice thereof shall be given by the Commissioner to the person filing the statement. Not less than seven days' notice of such public hearing shall be given by the person filing the statement to the insurer and to such other person as may be designated by the Commissioner. The insurer shall give such notice to its securityholders. The commissioner shall make a determination within thirty days after the conclusion of such hearing. At such hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interests may be affected thereby shall have the right to present evidence, examine and cross-examine witnesses, and offer oral and written arguments, and in connection therewith shall be entitled to conduct discovery proceedings in the same manner as is presently allowed in the Superior Court of the District of Columbia. All discovery proceedings shall be concluded not later than three days prior to the commencement of the public hearing.

(e) MAILINGS TO SHAREHOLDERS; PAYMENT OF EXPENSES.—All statements, amendments, or other material filed pursuant to subsection (a) or (b), and all notices of public hearings held pursuant to subsection (d), shall be mailed by the insurer to its shareholders within five business days after the insurer has received such statements, amendments, other material, or notices. The expenses of mailings shall be borne by the person making the filing. As security for the payment of such expenses, such person shall file with the Commissioner an acceptable bond or other deposit in an amount to be determined by the Commissioner.

(f) EXEMPTIONS.—The provisions of this section shall not apply to—

(1) any offers, requests, invitations, agreements, or acquisitions by the person referred to in subsection (a) of any voting security referred to in subsection (a) which, immediately prior to the consummation of such offer, request, invitation, agreement, or acquisition, was not issued and outstanding;

(2) any offer, request, invitation, agreement, or acquisition if, under the terms thereof, the consummation of the transaction contemplated thereunder would result in the ownership by security holders of the domestic insurer of stock possessing at least 80 per centum of the total combined voting power of all classes of stock of the acquiring party entitled to vote; and

(3) any offer, request, invitation, agreement, or acquisition which the Commissioner by order shall exempt therefrom as (A) not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer, or (B) as otherwise not comprehended within the purposes of this section.

(g) VIOLATIONS.—The following shall be violations of this section:

(1) The failure to file any statement, amendment, or other material required to be filed pursuant to subsection (a) or (b); or

(2) The effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the Commissioner has given his approval thereto.

(h) JURISDICTION; CONSENT TO SERVICE OF PROCESS.—The Superior Court of the District of Columbia is hereby vested with jurisdiction over every person not resident, domiciled, or authorized to do business in the District who files a statement with the Commissioner under this section, and over all actions involving such person arising out of violations of this section, and each such person shall be deemed to have performed acts equivalent to and constituting an appointment by such a person of the Commissioner to be his true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding arising out of violations of this section. Copies of all such lawful process shall be served on the Commissioner and transmitted by registered or certified mail by the Commissioner to such person at his last known address.

REGISTRATION OF INSURERS

SEC. 5. (a) REGISTRATION.—Every insurer which is authorized to do business in the District and which is a member of an insurance holding company system shall register with the Commissioner, except a foreign insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this Act. Any insurer which is subject to registration under this section shall register within sixty days after the effective date of this Act or fifteen days after it becomes subject to registration, whichever is later, unless the Commissioner for good cause shown extends the time for registration, and then within such extended time. The Commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by such insurance company with the insurance regulatory authority of its domiciliary jurisdiction.

(b) INFORMATION AND FORM REQUIRED.—Every insurer subject to registration shall file a registration statement on a form provided by the Commissioner, which shall contain current information about—

(1) the capital structure, general financial condition, ownership, and management of the insurer and any person controlling the insurer;

(2) the identity of every member of the insurance holding company system;

(3) the following agreements in force, relationships subsisting, and transactions currently outstanding between such insurer and its affiliates:

(A) loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

(B) purchases, sales, or exchanges of assets;

(C) transactions not in the ordinary course of business;

(D) guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business;

(E) all management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles; and

(F) reinsurance agreements covering all or substantially all of one or more lines of insurance of the ceding company.

(4) other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the Commissioner.

(c) MATERIALITY.—No information need be disclosed on the registration statement filed pursuant to subsection (b) if such information is not material for the purposes of this section. Unless the Commissioner by rule, regulation, or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of 1 per centum or less of an insurer's admitted assets as of the thirty-first day of December next preceding shall not be deemed material for purposes of this section.

(d) AMENDMENTS TO REGISTRATION STATEMENTS.—Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms provided by the Commissioner within fifteen days after the end of the month in which it learns of each such change or addition: *Provided*, That subject to subsection (c) of section 6, each registered insurer shall so report all dividends and other distributions to shareholders within two business days following the declaration thereof.

(c) TERMINATION OF REGISTRATION.—The Commissioner shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.

(f) CONSOLIDATED FILING.—The Commissioner may require or allow two or more affiliated insurers subject to registration hereunder to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

(g) ALTERNATIVE REGISTRATION.—The Commissioner may allow an insurer which is authorized to do business in the District and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (a) and to file all information and material required to be filed under this section.

(h) EXEMPTIONS.—The provisions of this section shall not apply to any insurer, information, or transaction if and to the extent that the Commissioner by rule, regulation, or order shall exempt the same from the provisions of this section.

(i) DISCLAIMER.—The presumption of control as defined by section 2(c), may be rebutted by a showing made in the manner herein provided that control does not exist in fact. The Commissioner may determine, after furnishing all persons in interest notice and an opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect. Any person may file with the Commissioner a disclaimer of affiliation with any authorized insurer or such a disclaimer may be filed by such insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between such person and such insurer as well as the basis for disclaiming such affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with such person unless and until the Commissioner disallows the disclaimer. The Commissioner shall disallow such a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support such disallowance.

(j) VIOLATIONS.—The failure to file a registration statement or any amendment thereto required by this section within the time specified for such filing shall be a violation of this section.

STANDARDS

SEC. 6. (a) TRANSACTIONS WITH AFFILIATES.—Material transactions by registered insurers with their affiliates shall be subject to the following standards:

(1) the terms shall be fair and reasonable;

(2) the books, accounts, and records of each party shall be so maintained as to clearly and accurately disclose the precise nature and details of the transactions; and

(3) the insurer's surplus as regards policy-

holders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(b) ADEQUACY OF SURPLUS.—For the purposes of this section in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

(1) the size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force, and other appropriate criteria;

(2) the extent to which the insurer's business is diversified among the several lines of insurance;

(3) the number and size of risks insured in each line of business;

(4) the extent of the geographical dispersion of the insurer's risks;

(5) the nature and extent of the insurer's reinsurance program;

(6) the quality, diversification, and liquidity of the insurer's investment portfolio;

(7) the recent past and projected future trend in the size of the insurer's surplus as regards policyholders;

(8) the surplus as regards policyholders maintained by other comparable insurers;

(9) the adequacy of the insurer's reserves; and

(10) the quality and liquidity of investments in subsidiaries made pursuant to section 3. The Commissioner may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in his judgment such investment so warrants.

(c) DIVIDENDS AND OTHER DISTRIBUTIONS.—(1) No insurer subject to registration under section 5 shall pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until (A) thirty days after the Commissioner has received notice of the declaration thereof and has not within such period disapproved such payment, or (B) the Commissioner shall have approved such payment within such thirty-day period.

(2) For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of (A) 10 per centum of such insurer's surplus as regards policyholders as of the thirty-first day of December next preceding or (B) the net gain from operations of such insurer, if such insurer is a life insurer, or the net investment income, if such insurer is not a life insurer, for the twelve-month period ending the thirty-first day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

(3) Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution which is conditional upon the Commission's approval thereof, and such a declaration shall confer no rights upon shareholders until (A) the Commissioner has approved the payment of such dividend or distribution or (B) the Commissioner has not disapproved such payment within the thirty-day period referred to above.

EXAMINATION

SEC. 7. (a) POWER OF COMMISSIONER.—Subject to the limitation contained in this section and in addition to the powers which the Commissioner has under the insurance laws of the District relating to the examination of insurers, the Commissioner shall also have the power to order any insurer registered under section 5 to produce such records, books, papers, or other information in the possession of the insurer or its affiliates as shall be necessary to ascertain the financial condition or legality of conduct of such insurer. In the event such insurer fails to comply with such order, the Commissioner shall have the power to examine such affiliates to obtain such information.

(b) PURPOSE AND LIMITATION OF EXAMINATION.—The Commissioner shall exercise his power under subsection (a) only if the examination of the insurer under and as is provided for by the insurance laws of the District is inadequate or the interests of the policyholders of such insurer may be adversely affected.

(c) USE OF CONSULTANTS.—The Commissioner may retain at the registered insurer's expense such attorneys, actuaries, accountants, and other experts not otherwise a part of the Commissioner's staff as shall be reasonably necessary to assist in the conduct of the examination under subsection (a). Any persons so retained shall be under the direction and control of the Commissioner and shall act in a purely advisory capacity.

(d) EXPENSES.—Each registered insurer producing for examination records, books, and papers pursuant to subsection (a) shall be liable for and shall pay the expense of such examination in accordance with the provisions of section 19, chapter II, of the Life Insurance Act (D.C. Code, sec. 35–418) and section 10, chapter II, of the Fire and Casualty Act (D.C. Code, sec. 35–1313), pertaining to examination expense.

SEC. 8. CONFIDENTIAL TREATMENT.—All information, documents, and copies thereof obtained by or disclosed to the Commissioner or any other person in the course of an examination or investigation made pursuant to section 7 and all information reported pursuant to section 5, shall be given confidential treatment and shall not be subject to subpena and shall not be made public by the Commissioner or any other person, except to insurance departments of other States, without the prior written consent of the insurer to which it pertains unless the Commissioner, after giving the insurer and its affiliates who would be affected thereby, notice and opportunity to be heard, determines that the interests of policyholders, shareholders, or the public will be served by the publication thereof, in which event he may publish all or any part thereof in such manner as he may deem appropriate.

SEC. 9. RULES AND REGULATIONS.—The Commissioner may, upon notice and opportunity of all interested persons to be heard, issue such rules, regulations, and orders as shall be necessary to carry out the provisions of this Act.

INJUNCTIONS; PROHIBITIONS AGAINST VOTING SECURITIES; SEQUESTRATION OF VOTING SECURITIES

SEC. 10. (a) INJUNCTIONS.—Whenever it appears to the Commissioner that any insurer or any director, officer, employee or agent thereof has committed or is about to commit a violation of this Act or of any rule, regulation, or order issued by the Commissioner hereunder, the Commissioner may apply to the Superior Court of the District of Columbia for an order enjoining such insurer of such director, officer, employee, or agent thereof from violating or continuing to violate this Act or any such rule, regulation, or order, and for such other equitable relief as the failure of the case and the interests of the insurer's policyholders, creditors, shareholders, or the public may require.

(b) VOTING OF SECURITIES; WHEN PROHIBITED.—No security which is the subject of any agreement or arrangement regarding acquisition, or which is acquired or to be acquired, in contravention of the provisions of this Act or of any rule, regulation, or order issued by the Commissioner hereunder may be voted at any shareholders' meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though such securities were not issued and outstanding; but no action taken at any such meeting shall be invalidated by the voting of such securities, unless the action would materially affect control of the insurer or unless the Superior Court of the District of Columbia has so ordered. If an insurer or the Commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this Act or of any rule, regulation, or order issued by the Commissioner hereunder the insurer or the Commissioner may apply to the Superior Court of the District of Columbia to enjoin any offer, request, invitation, agreement, or acquisition made in contravention of section 4 or any rule, regulation, or order issued by the Commissioner thereunder, to enjoin the voting of any security so acquired, to void any vote of such security already cast at any meeting of shareholders, and for such other equitable relief as the nature of the case and the interests of the insurer's policyholders, creditors, shareholders, or the public may require.

(c) SEQUESTRATION OF VOTING SECURITIES.—In any case where a person has or is proposing to acquire any voting securities in volation of this Act or any rule, regulation, or order issued by the Commissioner hereunder, the Superior Court of the District of Columbia may, on such notice as the court deems appropriate, upon the application of the insurer or the Commissioner seize or sequester any voting securities of the insurer owned directly or indirectly by such person, and issue such orders with respect thereto as may be appropriate to effectuate the provisions of this Act. Notwithstanding any other provisions of law, for the purposes of this Act the situs of the ownership of the securities of domestic insurers shall be deemed to be in the District.

SEC. 11. CRIMINAL PROCEEDINGS.—Whenever it appears to the Commissioner that any insurer or any director, officer, employee, or agent thereof has committed a willful violation of this Act, the Commissioner may cause criminal proceedings to be instituted in the District against such insurer or the responsible director, officer, employee, or agent thereof. Any insurer which willfully violates this Act may be fined not more than $1,000. Any individual who willfully violates this Act may be fined not more than $1,000 or, if such willful violation involves the deliberate perpetration of a fraud upon the Commissioner, imprisoned not more than two years or both.

SEC. 12. RECEIVERSHIP.—Whenever it appears to the Commissioner that any person has committed a violation of this Act which so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, the Commissioner may proceed as provided under the insurance laws of the District to take possession of the property of such domestic insurer and to conduct the business thereof.

SEC. 13. REVOCATION, SUSPENSION, OR NON-RENEWAL OF INSURER'S LICENSE.—Whenever it appears to the Commissioner that any person has committed a violation of this Act which makes the continued operation of an insurer contrary to the interests of policyholders or the public, the Commissioner may, after giving notice and an opportunity to be heard, suspend, revoke, or refuse to renew such insurer's license or authority to do business in the District for such period as he finds is required for the protection of policyholders or the public. Any such determination shall be accompanied by specific findings of fact and conclusions of law.

SEC. 14. JUDICIAL REVIEW; MANDAMUS.—(a) Any person aggrieved by any act, deter-

mination, rule, regulation, or order or any other action of the Commissioner pursuant to this Act may appeal therefrom to the District of Columbia Court of Appeals, in accordance with the District of Columbia Administrative Procedure Act.

(b) Any person aggrieved by any failure of the Commissioner to act or make a determination required by this Act may petition the Superior Court of the District of Columbia for a writ in the nature of a mandamus or a peremptory mandamus directing the Commissioner to act or make such determination forthwith.

SEC. 15. CONFLICT WITH OTHER LAWS.—All laws and parts of laws of the District inconsistent with this Act are hereby superseded with respect to matters covered by this Act.

SEC. 16. SEPARABILITY OF PROVISIONS.—If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are separable.

SEC. 17. EFFECTIVE DATE.—This Act shall take effect thirty days after the date of its enactment.

With the following committee amendment:

On page 15, line 13, immediately after "vote" insert ", or at least 80 percentum of the total combined voting power of all classes of stock of the person in control of the acquiring party entitled to vote".

The amendment was agreed to.

Mr. STUCKEY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 7218, as set forth in H. Rept. 93–653, is to improve the laws relating to the regulation of insurance companies in the District of Columbia by providing a framework for a District of Columbia insurer to enter a holding company system and to avoid duplication of regulation in every state where the insurer is licensed which has similar legislation. Safeguards included herein will, it is believed, provide adequate protection for policyholders and shareholders so that financial and managerial erosion of their acquired rights are avoided.

NEED FOR THE LEGISLATION

A model bill to regulate insurance holding companies was approved by the National Association of Insurance Commissioners in June, 1969, and is known as the Insurance Holding Company System Regulatory Act. As of January, 1973, thirty-seven states have adopted this model bill with slight variations and modifications which were necessary for compatibility with their Code. H.R. 7218 is the model bill for the District of Columbia Insurance Code with minor changes, and its passage by the Congress has been requested by the D.C. Government.

During the past three decades, there have been major social, economic and political changes which have exerted great influence on the market for insurance and the services which insurance companies can perform for their policyholders and the public. They have given rise to sound and legitimate reasons why some insurance companies have found it advantageous to utilize a holding company operation. The severe restrictions imposed by state statutes applicable to the insurance business have prevented insurers from serving new and changing needs of the insurance buyer and the total economy, particularly in the areas of investment, underwriting and the provisions of a wide spectrum of financial services.

Three major trends have impelled insurers to diversify their activities. The first is the long-term trend of inflation which has accelerated in the past two decades. The second trend is the persistent decline in the underwriting profits of property-liability insurers. And the third is the increased attention of the concept of "one-stop" financial service. To diversify their activities, many insurers have gone to the holding company system.

There are valid and beneficial economic, social and legal advantages that can accrue to many insurers in a holding company system. These advantages would also benefit the policyholders as insurers are able to increase underwriting capacity and to provide a broader spectrum of services. Nevertheless, there should be effective state supervision of insurers in their relationship with holding companies. Such supervision is a proper and natural extension of the responsibility of state regulatory authority to assure, in the public interest, the solvency of the insurer and the protection and fair treatment of policyholders.

The business of insurance has long been recognized as so affected with the public interest as to require extensive and detailed regulation. The objective of insurance regulation is to assure the solvency of the insurer and to protect the interests of the policyholder. H.R. 7218 is a logical extension of this broad regulation.

HISTORY

A public hearing was held on H.R. 7218 on July 16, 1973, by the Subcommittee on Business, Commerce and Taxation. Witnesses in support of the legislation included representatives of the District Government, the Superintendent and the Deputy Superintendent of Insurance, and representatives of five major life insurance companies in the District of Columbia. No opposition to the bill has been received by the Committee.

The enactment of this proposed legislation will involve no added cost to the government of the District of Columbia.

H.R. 7218 was ordered favorably reported, as amended, by voice vote of the full committee on November 5, 1973.

CONCLUSION

This legislation, sought by the District Government, provides satisfactory liberalization of investment laws and procedures to disclose and examine mergers and acquisitions pertaining to D.C. domiciled companies. It also means an administrative relief from duplication of filings and reporting now required of D.C. domiciled companies in other states. Foreign companies, if subject to substantially similar provisions contained in the acts of other states, are exempt. This permits sound and fair development of regulation at the State level.

Foreign companies domiciled in States which have not as yet passed similar legislation will be subject to this Act.

The provisions of the bill will enable the District of Columbia to update its laws and attain the desirable level of holding company insurance regulations now existing in at least 37 States.

As noted in the Commissioner's report below: "Enactment of the proposed 'Holding Company System Regulatory Act' is necessary to discourage migration of local insurance companies from the District, while providing safeguards for the maintenance of a healthy insurance market for the residents of the District of Columbia".

Accordingly, the Committee urges enactment of H.R. 7218, with the clarifying amendment thereto.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, H.R. 7218 has the support of the minority. As pointed out by the distinguished gentleman from Georgia (Mr. STUCKEY) this is a model bill for the District of Columbia Insurance Code, patterned after the Insurance Holding Company System Regulatory Act, a model bill which was approved in 1969 by the National Association of Insurance Commissioners and which has now been adopted in 37 States.

The purpose of the bill is to provide controls to be exercised by the District of Columbia Commissioner over presently unregulated mergers or acquisitions of local domestic insurance companies with or by holding companies. This is important in view of the valid and beneficial economic, social, and legal advantages that can accrue to many insurers, and to their policyholders, in a holding company system.

This bill is designed to provide a framework for the control of insurance holding company activities through registration of the insurance company with the District of Columbia and regulation by the District of the insurer's transactions with the other members of the holding company system. Registration in the District will be required only of domestic insurers and those foreign insurers whose States do not have similar legislation. In other words, a system of reciprocity in this respect is established between the District of Columbia and 37 of the States.

The regulatory framework is based upon full and complete disclosure of all significant transactions between an insurer and its parent, subsidiaries, and sister companies.

The bill permits insurers to invest additional amounts in subsidiaries, provided always that remaining surplus is adequate to protect policyholder interests. Tests for determining whether remaining surplus would be adequate are included.

Any person attempting to take control of or to merge with an insurer must disclose to the District of Columbia Superintendent of Insurance relevant information about both himself and the takeover transactions, and the soliciting material must be filed prior to its use. The Superintendent may disapprove any attempted acquisition of or change in control over an insurer if the takeover party cannot satisfy specific standards designed

to protect the interests of policyholders, shareholders, and the public.

H.R. 7218 will thus serve a twofold purpose. First, it will provide a framework for the District of Columbia insurer to enter a holding company system. And secondly, the safeguards that are included will provide adequate protection for the policyholders and the shareholders alike.

Mr. Speaker, I support the bill, and hope that it is adopted.

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

AMENDING THE DISTRICT OF COLUMBIA USURY LAWS

Mr. STUCKEY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 6758) to permit the Capital Yacht Club of the District of Columbia to borrow money without regard to the usury laws of the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 6758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Capital Yacht Club, a District of Columbia nonprofit corporation, shall have the power to borrow money at such rates of interest as the corporation may determine, without regard to the restrictions of any usury law, and shall not plead any statute against usury in any action.

With the following committee amendment:

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

That (a) chapter 33 of title 28 of the District of Columbia Code (relating to interest and usury) is amended by adding at the end thereof the following:

"§ 28–3309. District of Columbia Council Authorized To Exempt Certain Loans and To Change Rates of Interest."

"The District of Columbia Council is authorized from time to time to provide by regulation for (1) the exemption from the provisions of this chapter of any loan or financial transaction, and (2) the change of any interest rate specified in this chapter. The Congress is further authorized to amend or repeal any such regulation at any time, but no such amendment or repeal relating to any exemption made under authority of this section shall affect any such loan or financial transaction lawfully made or entered into while such exemption is in effect."

(b) The chapter analysis for chapter 33 of title 28 of the District of Columbia Code is amended by adding at the end thereof the following item:

"28–3309. District of Columbia Council Authorized To Exempt Certain Loans and To Change Rates of Interest."

SEC. 2. The Capital Yacht Club, a District of Columbia nonprofit corporation, shall have the power to borrow money at such rates of interest as the corporation may determine, without regard to the restrictions of any usury law, and shall not plead any statute against usury in any action.

Mr. STUCKEY. Mr. Speaker, the purposes of the bill (H.R. 6758) as set forth in H. Rept. 93–655 are (a) to provide the District of Columbia Council with authority to amend certain existing laws in the District of Columbia relating to usury; and (b) to permit the Capital Yacht Club of the District of Columbia to borrow money without regard to the usury laws of the District of Columbia.

NEED FOR LEGISLATION

The question of setting or adjusting local interest rate ceilings in the District of Columbia, taking into consideration local market and credit conditions, is a complex matter. Current economic conditions appear to warrant intensive analysis of local interest rates, but with approaching home rule it seems inappropriate for Congress to undertake such a study at this time. This bill, accordingly, accelerates transfer of authority to the District of Columbia Council over the interest rate provisions contained in Chapter 33 of Title 28 of the D.C. Code.

The provisions of Chapter 33 of Title 28 set interest rate ceilings for certain types of mortgages, consumer credit, and other loans. By other provisions of law, loans to profit-making corporations are already exempted from the Chapter 33 provisions. The authority transferred to the Council over chapter 33 by this bill is similar to that given to the Council in 1970 to exempt FHA and VA insured mortgages from interest rate ceilings if the Council determined that changing local conditions made such action necessary.

The provisions of this accelerated transfer of authority in no way are intended to limit the powers which an elected city government could exercise after January 1, 1975, under the home rule bill (S. 1435).

PROVISIONS OF THE BILL

Section 1 authorizes the District of Columbia Council to amend Chapter 33 of Title 28 of the District of Columbia Code, relating to the usury laws in the District.

The usury laws in the District of Columbia do not permit nonprofit corporations domiciled in the District to pay interest on loans at rates in excess of the 8% maximum which, except for certain statutory exemptions, is the legal maximum rate for loans in the District of Columbia at the present time. It is the Committee's understanding that for a substantial period of time, the prime rate of interest for commercial, preferred-risk borrowers has been in excess of 7%. The credit rating of most business corporations does not qualify them for that rate, and so the corporations must borrow funds at higher rates of interest.

It is the intention of the Committee that the District of Columbia Council shall have full authority to change the maximum rate of interest allowed in the city, in order to facilitate the economic and physical development of the District.

Section 2 of the bill permits the Capital Yacht Club of the District of Columbia to borrow funds without regard to the usury laws of the District of Columbia. Profit-making corporations organized or doing business in the District of Columbia are not within the jurisdiction of the District of Columbia usury laws. However, nonprofit corporations domiciled in the District under such statutes are not permitted to pay interest on loans at rates in excess of the present 8% maximum legal rate for borrowing in the District of Columbia.

The maximum interest rates set for the District poses a very serious problem for the Capital Yacht Club of the District of Columbia in that the Club is presently under the obligations of a lease with the District Redevelopment Land Agency to construct a new clubhouse and to expand its marina within an urban renewal area of the city. The Corporation has negotiated a loan for the construction of its facilities at a rate in excess of the maximum permissible rates of interest for the District of Columbia. The need for authorization of the Yacht Club Corporation to accept the loan without regard to the usury rate in the District is critical, because if the corporation does not fulfill its lease obligations to construct its clubhouse and marina, it may be faced with cancellation of its lease by the Redevelopment Land Agency.

The language of Section 2 of H.R. 6758 has the effect of assuring that a loan can be obtained at an interest rate mutually agreed upon by the lender and the borrower.

It also contains language which will assure that the District cannot bring action charging any lender of funds to the corporation with exceeding the legal rate of interest that is provided in the District of Columbia usury statutes (D.C. Code, Tit. 28, Sec. 3301). The latter language is essential to protect a lending institution which makes loans to organizations that are exempted from the application of the usury laws and is identical to provisions of the D.C. Business Corporation Act (77 Stat. 136; D.C. Code, Tit. 29, Sec. 904 (h)).

HISTORY

Hearings were held by the Subcommittee on Business, Commerce and Taxation on H.R. 2524, the original bill, on April 5, 1973. Witnesses were Members of Congress, representatives of the Capital Yacht Club, and of the D.C. Government. The bill was amended in accordance with the District's recommendations by the Subcommittee in executive session and a clean bill, H.R. 6758, was introduced and approved.

In view of the current economic conditions and the tight money market, particularly in the mortgage lending field, numerous representations have been made to the full Committee as to the necessity of enacting legislation to authorize borrowing at rates in excess of the 8% legal rate for loans in the District at the present time.

Because of the imminency of final approval of the legislation for D.C. self-government and government reorganization, the Committee added a new section to H.R. 6758 to give the D.C. Council authority to amend the D.C. Code provisions relating to usury, thus putting the responsibility and the granting of relief in the hands of the local city government, where they belong.

The enactment of this proposed legislation will involve no added cost to the government of the District of Columbia.

H.R. 6758, as amended, was ordered favorably reported by a voice vote of the full Committee on November 5, 1973.

CONCLUSION

The citizens of the District of Columbia are facing a crisis, in that many such citizens have been unable to borrow money within the present 8% limitation imposed by Title 28, Section 3301 of the D.C. Code. Similarly, the Capital Yacht Club is facing an even more immediate crisis which, if not alleviated by Congressional action, may force the cancellation of the leases between the Yacht Club and the District of Columbia Redevelopment Land Agency. Such cancellation would thwart the intent of Congress in providing for a master design applicable to the Washington waterfront.

For these reasons, and those indicated above, the Committee recommends enactment of H.R. 6758.

REPORT OF THE DISTRICT GOVERNMENT

The Commissioner of the District of Columbia in his report dated November 8, 1973, supports H.R. 6758 as reported to the House.

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

Mr. STUCKY. Mr. Speaker, I yield to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. I thank the chairman for yielding.

Mr. Speaker, the Capital Yacht Club has been serving the local area since 1892. In addition to the service it provides its members and transient watercraft, it also teaches safe boating principles to young Sea Scouts, members of the Coast Guard Auxiliary and other groups interested in safety at sea. It, along with other facilities, is important as one of the general recreation-business establishments of the Washington area. Its membership is open to all persons without regard to race or creed.

Pursuant to its contract with the D.C. Redevelopment Land Agency—RLA—the Capitol Yacht Club plans to construct a new clubhouse and marina on Southwest Waterfront Site E of Southwest Urban Renewal Area Project C.

To do so the yacht club requires an exemption from the usury laws of the District of Columbia which now penalize a lender who lends money in excess of 8 percent interest to a nonprofit corporation. Although the Yacht Club is a nonprofit corporation I do not believe it requires nor does it need the protection which the law has extended to such organizations.

During the 91st Congress, Private Law 91–185 was approved to allow George Washington University to borrow funds necessary to complete its building program.

I feel that the Capital Yacht Club should be granted similar relief so that it can complete its financial arrangements for construction. The club is fully capable of protecting its business interests, just as George Washington University was in 1970 when Congress considered its case.

These two situations indicate that the appropriate District of Columbia Code provisions relating to the powers exercised by nonprofit corporations should be reviewed. To delay the exemption for the yacht club would, however, be a great hardship and would further delay the construction of its much needed facility.

Mr. MAZZOLI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, it is with no little hesitation and restraint that I take the floor because I am arguing against a bill that has been shepherded by my good friend, the gentleman from Maryland, and my good friend, the gentleman from California, but I must do so. This dates back to an early point in my political career when in the Kentucky State Senate we were faced with the very same problem of raising the interest rate ceiling beyond what the State assembly felt was the usurious rate limit. We were lobbied quite actively and energetically by the special interests. Ultimately there was a reasonable agreement struck, but this Member opposed raising the ceiling on interest rates beyond the legal rate existing at that time.

I have filed in the report, for those Members who care to read them, individual views. At the time I filed them, I had not fully made up my mind whether I would oppose the bill or simply add what little bit of wisdom might be in there for the Members' consideration. Subsequently I have decided to oppose the bill and to vote against it in its present form.

Mr. Speaker, I was fully prepared to support the gentleman from Maryland in his quest to have the yacht club protected, and I was fully prepared to accept their ability to go on the market and pay whatever rate they could negotiate, but all of a sudden during the course of the meeting, without any hearings that I was aware of, Mr. Speaker, without any testimony that I was aware of, the motion was made and the amendment subsequently carried to remove the usury rate ceiling subject to the decision of the City Council.

I am one—and I have said in my individual views, Mr. Speaker—who typically feels that where possible we should yield to the District Council to make its mind up. But, in the present situation, where we lack full-fledged home rule, it seems to me that the potential for mischief and overreaching of the average homeowner and the average borrower of the District of Columbia is so tremendous that I feel it would ill serve this House to provide the tools and the mechanism for such possible avarice and greed to take the form of high interest rates on the part of the individual.

The gentleman from Virginia had originally proposed, Mr. Speaker, a $1 million limit beyond which no usury would be effective, under which usury would be effective, and I was prepared to support that, but I just simply cannot support at this time a bill which, without any hearings at any time that I am aware of, and without paving and laying the groundwork carefully, would allow this to take place.

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

Mr. MAZZOLI. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, I understand the gentleman's sentiments. I think they are directed to the amendment to the original bill. The gentleman has no quarrel with the original legislation, the specific exemption?

Mr. MAZZOLI. No. I think the bill as it is drafted has that proviso in it.

Mr. GUDE. That amendment would have to be offered on the floor, I believe.

Mr. MAZZOLI. I understand that amendment has yet to be offered. I have already said my piece and I will not take the time of the House to speak again, but certainly if it is to be offered I would oppose the offering of the amendment. My information is that it is incorporated in this bill and would remove all usury rates on loans to all borrowers.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I regret that the gentleman from Kentucky is opposing the bill as amended by the committee.

This bill is designed to bring about long-needed revision of the laws pertaining to usury in the District of Columbia.

The first section of the bill, as amended and reported by the committee, would authorize the District of Columbia. Council to amend the existing District of Columbia. Usury Act (D.C. Code, section 28–3301 et seq.).

The most recent and far-reaching amendments to the District of Columbia. Usury Act were enacted by the Congress in 1971, as Public Law 92–200. These amendments retained the existing ceiling of 6 percent interest on verbal contracts, as well as the existing limit of 8 percent interest on "instruments in writing", which includes bonds, bills, and promissory notes. Exception to this 8 percent limitation was added, however, in the case of finance charge or interest on direct installment loans not exceeding $25,000 and also on direct motor vehicle installment loans. A ceiling of 11.5 percent per annum on the unpaid balance was imposed on the interest or finance charge in the case of these two types of loans.

Also in that law, interest rates on revolving charge accounts were limited to 1.5 percent per month or 18 percent per annum on balances of $500 or less, and to 1 percent per month or 12 percent per annum on balances greater than $500.

In addition, Public Law 92–200 authorized the District of Columbia. Council to provide by regulation for the exemption from the usury laws of all VA and FHA mortgage loans in the District. This provision proved to be timely indeed, as the District of Columbia Council acted promptly upon this authority, as a result of which such loans in the District of Columbia are exempted from the city's usury laws—and in fact represent the only substantial amount of mortgage money presently available in the District.

It should be mentioned at this point that corporations in the District of Columbia may borrow without limitation by the District of Columbia Usury Act. Section 29–904(h) of the District of Columbia Code provides that corporations in the District may "borrow money at such rates of interest as the corporation may determine without regard to the restrictions of any usury law". Also, however, under District of Columbia law no

corporation may plead any statutes against usury in any action to avoid payment of interest for which it has contracted.

At the present time, the remaining areas of most serious difficulty with respect to the operation of the District of Columbia Usury Act are twofold. First, those persons in the District who cannot qualify for mortgage loans under VA or FHA simply cannot obtain financing for the purchase of homes, because of the 8 percent ceiling imposed upon the interest rates for such loans from private sources. And second, a very serious problem also exists in the area of large commercial loans to noncorporate borrowers. The situation in regard to both of these categories of potential borrowers is simply that with the prime interest rate presently in excess of 9 percent, 8 percent mortgage money does not exist, in the District of Columbia or anywhere else as far as I am aware.

This problem is the more acute in the District of Columbia because the usury laws in the neighboring States are more lenient and realistic. For example, both Maryland and Virginia have amended their usury laws in recent years to exclude from their application certain commercial transactions by business or commercial organizations. Maryland law, in fact, now provides an exemption from that State's usury statutes for all loans in excess of $5,000.

While this comparative situation has been improved somewhat by the amendments to the District of Columbia Usury Act enacted in 1971, which I have referred to above, the present problem with regard to mortgage loans and large commercial loans continues to militate against the economic health of the District of Columbia. The housing market in the District has stagnated, and large commercial construction in the city is likewise at a virtual standstill, while both of these elements of the economy are booming in nearby Virginia and Maryland.

Nothing is going to solve this most serious problem except some realistic, forward-looking changes in the District of Columbia usury law. It is sheer folly to maintain an inflexible 8-percent ceiling on mortgage and certain other loans, ostensibly for the purpose of protecting the citizens and businessmen in the city from exorbitant rates of interest, when the only result is to deny such potential borrowers access to any loan funding whatever. Some upward adjustment of this 8-percent limitation as it applies to these vital economic areas will make it possible for citizens in the District of Columbia once again to purchase homes, and also will result in an immediate upsurge in commercial construction in the city. The result will be increased tax revenues to the city and a marked improvement in the city's overall economy.

I favor the approach to this problem embodied in H.R. 6758, which is to authorize the D.C. Council to amend the District of Columbia Usury Act, rather than direct amendments to the statute by the Congress itself, for several reasons. In the first place, under the provisions of the District of Columbia Home Rule bill which is presently in its final legislative stages, the Council will acquire this authority in another year anyway, and I feel it highly appropriate that we "jump the gun" in this particular area where legislative action is badly needed, and grant them this authority now. Also, I was pleased that the Council acted promptly in the exercise of the authority we granted them 2 years ago with respect to VA and FHA loans in the District, to the benefit of a great many residents of the city.

Section 2 of the bill would permit the Capital Yacht Club here in the District of Columbia to borrow money without regard to the District of Columbia usury laws, or at an interest rate higher than 8 percent. It is further provided that the yacht club, a nonprofit corporation, shall not plead any statute against usury in any action in connection with such a loan. Nonprofit corporations in the District are not exempted from the limitations of the District of Columbia Usury Act, as are other corporations.

The Capital Yacht Club has been a landmark on the District of Columbia waterfront for the past 80 years. Several years ago, however, their clubhouse and all of their parking facilities were taken by the District of Columbia Redevelopment Land Agency and demolished, and much of the club's riparian area was filled over with a large deck, all as a part of RLA's plan for redevelopment of the waterfront area.

The Capital Yacht Club submitted an offer and was selected by RLA to build a new yacht club adjacent to the new Flagship restaurant. Under the terms of the yacht club's 99-year leasehold agreement with RLA, the club was obligated to construct a clubhouse on the site, and also to develop a marina for the principal use of its members, but with access by the transient boating public to certain portions thereof.

The yacht club succeeded in securing a loan of $300,000 at 8 percent interest for the construction of the clubhouse, which I understand has now been completed. However, the club has more than $50,000 of additional outstanding obligations which are not covered by this construction loan, incident to the overall development of the facilities, including the marina. For this reason, they are seeking to borrow this additional amount as a part of the permanent loan, which would thus total $350,000. Under present fiscal conditions, however, they have found it impossible to obtain this expanded loan within the 8 percent interest limit imposed by the District of Columbia Usury Act. The company which advanced the $300,000 construction loan, however, has made a commitment of the $350,000 sought at 9 percent interest.

Thus, the Capital Yacht Club must depend upon this proposed legislation, which in effect will enable them to accept this loan offer, in order to remain in existence.

There is precedent for this section of H.R. 6758, since in 1970 the Congress enacted identical legislation permitting George Washington University to borrow money without regard to the District of Columbia Usury Act, in similar circumstances.

This Capital Yacht Club has been an important part of the District of Columbia waterfront for many years. Its clubhouse has been the scene of Coast Guard Auxiliary and Sea Scout meetings, courses, and lectures on seamanship, and has otherwise been a focal point for civic events of the District, such as the annual President's Cup Regatta.

Their need is immediate, and for this reason cannot await the amending process to the usury laws which is the principal goal of this bill. Certainly we should not permit this fine organization to be forced out of existence for lack of this permission to accept the loan which is essential for their continuance.

Mr. Speaker, again I urge favorable action of this important measure. The District of Columbia Council is aware of this pending legislation, and I trust that they are already laying the groundwork for coming to grips with this serious problem of interest rates in the city, and I am confident that prompt and judicious action on their part will prove invaluable to the economic well-being of the District of Columbia.

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

Mr. BROYHILL of Virginia. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I certainly support the feeling of the gentleman in trying to help the single home purchaser on his loans. I do not believe we should undertake removal of all usury rates and the congressional edict on what constitutes usury and allow the District of Columbia to take over that point. I would allow the D.C. Government to use this in good judgment, but as I said the potential for mischief overreaches too far for me to go all the way with the gentleman.

Where are the hearings on that portion of the bill that deal with the removal of the usury laws? Were there hearings?

Mr. BROYHILL of Virginia. There were no public hearings held on the amendment itself but we had discussed it in the full committee and the subcommittee. As the gentleman will recall I think the amendment was adopted overwhelmingly. I think the gentleman from Kentucky was the only Member who voted against the amendment.

Frankly, we have to do something. We are being totally unrealistic, unless we do something for these individuals. If they cannot foot 9 percent or 10 percent, what we have done is passed the buck over to the District of Columbia Assembly, the same as we did in 1971.

Mr. STUCKEY. Mr. Speaker, I move to strike the last word.

I think if the gentleman would take a look at the bill, really all this amendment is doing is expediting what the Home Rule bill will do. As far as hearings having been held on it, the gentleman is quite correct. On this bill there were no hearings held on this particular amendment; however, under the Home Rule bill there were extensive hearings held relating to the usury laws; so that the part the gentleman is objecting to is

simply a matter of time until an elected City Council has this authority.

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

Mr. STUCKEY. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I certainly share the gentleman's desire to see a full Home Rule bill; but pending the adoption of the conference report and the signature of the President on the Home Rule bill, we have appointed local government. I do not know that it is wise to vest the appointed local government with the right to set what could be disastrous rate limits for the average homeowner, the average borrower, who does not have the leverage of a yacht club, that can come into the Congress to have bills passed for their own special interests, that does not have the leverage of the large borrower to negotiate rates.

The individual could be basically held up for the rest of his natural productive life if we are not careful here. That is why I do not think that such profound power should be in the hands of local government.

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. STUCKEY. If I have the floor, I will yield.

Mr. BROYHILL of Virginia. The gentleman from Kentucky is aware of the fact that first mortgages are now based on more than 8 percent.

The gentleman is further aware that no homeowner can borrow under the present usuary rates, because all first mortgages are in excess of 8 percent; so what would the gentleman suggest that Congress do, or the District Committee do; what does he suggest now to do when it is in excess of 8 percent?

Mr. MAZZOLI. If the gentleman will yield further, the solution would be to have hearings on the bill and to see what the so-called experts might say on the rule or the limitation, which is exceeded by artifice.

Mr. BROYHILL of Virginia. The main result would necessitate an increase in the usury rates.

Mr. MAZZOLI. Well, does the gentleman propose that without the benefit of hearings?

Mr. BROYHILL of Virginia. The House is not going to act on it directly to set the rates themselves, but send it over to the Administrative Council that has jurisdiction over that matter.

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

Mr. REES. Mr. Speaker, I rise to speak in favor of the bill in its present form as amended by the committee.

Part of the problem, if Members will look at this, this is an exemption under title 28 of the District of Columbia Code, and that is the usury statute. This is the statute that has many exemptions. That is the problem with many usury statutes, that they have exemptions all over them.

This is a very minor thing. This is to allow the yacht club to be exempt from the usury statute.

Now, if we want to drive Congress crazy and drive the District of Columbia Committee crazy, we will have every single organization that wants to have an exemption from the usury statute coming in here and asking for special consideration.

Mr. BROYHILL had a bill up involving all loans of more than $1 million for the noncorporate borrower. I supported that, because if a person is in business and is going to spend $1 million, he knows something about the cost of money.

The usury law is to protect poor people, but in this bill we are not talking about poor people, because poor people buy under FHA and VA, and under title 28 of the District Code, these are exempt.

If a person wants to buy VA or FHA in the District, he can pay 8, 9, 10, 11, 12 percent, whatever is approved by the FHA or VA, but let us say that a person in the $25,000 income bracket wants to buy a house costing $55,000; he cannot do that in the District of Columbia because there are no 8-percent loans around.

We also find the same problem in commercial development in the District of Columbia. If a person wishes to improve his property or purchase property, and the transaction is a heavy one, let us say in the investor or business area where there is a $10 million loan, he cannot do it under the present usury statute of the District of Columbia.

Mr. Speaker, it was our feeling in the committee that instead of dealing with every little petition, the Capitol Yacht Club or whoever might be coming down the line tomorrow, that we give to the District of Columbia Council and to the mayor the power to amend the law dealing with the District of Columbia so that these minor, technical aspects are not before the District Committee or before the Congress of the United States. I think we have far greater things to deal with in this Congress.

One of the reasons I offered the amendment to give this power to the District of Columbia is because there is certainly precedent for this. This has been done continually by the District Committee. We have given the Council more and more power so that it can take care of more of the day-to-day work of the District of Columbia, and especially that work which deals with the things that may not be flexible, such as interest rates of the United States or the District of Columbia.

For that reason, I think the bill in its present form is an excellent bill. It certainly ties into the spirit of home rule in letting the people of the District figure out what they think a reasonable interest rate might be.

The SPEAKER. The question is on the committee amendment.

The question was taken; and the Speaker being in doubt, on a division, there were—ayes 18, noes 5.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The title was amended so as to read: "A bill to amend Chapter 33 of Title 28 of the District of Columbia Code, relating to usury, and for other purposes."

A motion to reconsider was laid on the table.

AMENDING THE DISTRICT OF COLUMBIA MINIMUM WAGE ACT

Mr. STUCKEY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 10806) to amend the District of Columbia Minimum Wage Act so as to enable airline employees to exchange days at regular rates of compensation, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 10806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(b) of the District of Columbia Minimum Wage Act (D.C. Code, sec. 36–404 (b)) is amended by:

(1) striking the word "or" following the semicolon in subparagraph (4):

(2) striking the period at the end of subparagraph (5) and inserting in lieu thereof "; or";

(3) inserting after subparagraph (5) the following new subparagraph:

"(6) any employee employed by a carrier by air who voluntarily exchanges workdays with another employee for the primary purpose of utilizing air travel benefits available to such employees.".

Mr. STUCKEY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 10806, as set forth in H. Rept. 93–656, is to amend the District of Columbia Minimum Wage Act in order to allow airline employees to engage in the practice known in the industry as "day trading."

NEED FOR THE LEGISLATION

Existing law (D.C. Code, Title 36, Sec. 403(b(1)(B) prohibits the employment of any employee for a work week in excess of 40 hours, unless the employee receives overtime compensation at a rate not less than 1½ times the regular rate for hours worked in excess of such 40 hours. The bill would exempt airline employees from such provisions in much the same manner as railroad employees are currently exempted.

The change in the law is important to airline employees in order to permit them to engage in the practice of "day trading." "Day trading" allows an employee to accumulate a number of successive days off, in addition to the two regular days off each week, by voluntarily working more than five days in succession. This permits the employee to take full advantage of the right to reduced-rate air travel on days off, which most airlines include as a standard fringe benefit to their employees. Airlines have always permitted their employees to day trade with the understanding that hours voluntarily worked in excess of 40 hours a week will not result in overtime pay as long as the average over the course of the year does not exceed 40 hours.

The District of Columbia is the only jurisdiction in the country which now restricts the practice. The only way to correct this inequity is through the legislative process.

PROVISIONS OF THE BILL

The bill provides an amendment to present law (D.C. Code, Tit. 36, Section 404(b)). This section provides for specific exemptions of certain employees from the minimum wage and overtime provisions of Title 36, Section 403. The bill provides that employees employed by a carrier by air who voluntarily exchange work days with another employee for the primary purpose of utilizing air travel benefits available to such employees shall not be subject to the overtime provisions of said Title 36, Section 403.

HISTORY

On November 1, 1973, a public hearing on H.R. 10806 was held by the Subcommittee on Business, Commerce and Taxation. Witnesses in support of the legislation included representatives of the D.C. Minimum Wage Board, the International Brotherhood of Teamsters, and airline officials. Letters in support of H.R. 10806 were supplied for the record from Senator WILLIAM PROXMIRE and from certain airlines.

H.R. 10806 was approved and ordered favorably reported to the House by voice vote of the full committee on November 5, 1973.

The enactment of the bill will entail no added cost to the government of the District of Columbia.

The District Government has no objection to the passage of the bill.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, The purpose of this bill is to resolve certain ambiguities in the District of Columbia Minimum Wage Act so as to enable airline employees in the District to exchange days at regular rates of compensation, and thus to enjoy more fully day-trade benefits which are allowed to airline employees in other States.

In the airline industry, employees enjoy a "fringe benefit" of air travel for themselves and their immediate families, either free of charge or at greatly reduced fares. In order to avail themselves of this opportunity for travel, such employees sometimes find it advantageous to trade work days among themselves, so that they may work more than 40 hours 1 week in exchange for some extra time off the following week so that they may take a trip of several days' duration. This practice is known as "day trading," and is the only practical means by which airline employees can use their opportunity for travel to far-off places.

Under present District of Columbia law, however, this modification of work schedule through day-trading is frustrated because section 36–403 of the District of Columbia Code requires that airline employees, with several exceptions, must be paid at an overtime rate for work in excess of 40 hours in any workweek. While all the airlines wish to offer the benefits of day-trading to their employees here in the District of Columbia, they cannot afford to pay overtime wages accruing under such a voluntary arrangement.

The employees who have thus been denied this most attractive fringe benefit which is enjoyed by airline personnel in every other State in the country are the officeworkers, maintenance personnel, and other employees aside from the plans crews themselves.

H.R. 10806 will solve this problem by amending the District of Columbia Minimum Wage Act to provide that any employee of a carrier by air who voluntarily exchanges workdays with another employee for the primary purpose of utilizing air travel benefits available to such employees shall not be covered by the overtime provisions of that act.

Not only is this exclusion from overtime pay provided for airline employees in the other States, but it is provided in the District of Columbia for seamen and railroad employees. Thus, the airline employees in the District alone are being discriminated against.

I am advised that the enactment of this proposed legislation is endorsed by all the airlines operating in the District of Columbia, as well as the District of Columbia Minimum Wage Board and the union to which may of these employees belong. As far as I am aware, there is no opposition to the measure.

I urge the support of my colleagues for this bill, which I am convinced will be beneficial to everyone concerned.

Mr. STARK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise to speak in favor of H.R. 10806. The bill was introduced jointly at the request of the airline companies, the unions, and employees of airline reservation offices in the District and has been agreed to by the Minimum Wage Board of the District of Columbia government.

It basically rights an inequity which prevents airline employees who work in the District of Columbia from receiving their travel benefits because of a provision which prohibits them from trading days off on strictly voluntary basis.

This will have the effect of allowing employees who work for airlines within the District of Columbia to receive the same benefits as airline employees in the other 50 States. It will provide an atmosphere in which airlines might be expected to expand their employment in the District if their employees will not be discriminated against.

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

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Speaker, I am pleased to associate myself with the remarks made by the gentleman from California.

The minority is pleased to support this legislation, and I am aware of no opposition to the bill. The airlines support this bill on behalf of their employees' welfare, and the unions also endorse the measure.

The District of Columbia government approves the bill also, and I urge the adoption of this legislation.

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

AUTHORIZING SUBSIDY PAYMENTS FOR CHILD ADOPTION

Mr. STUCKEY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 11238), to amend the act of March 16, 1926—relating to the Board of Public Welfare in the District of Columbia—to provide for an improved system of adoption of children in the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 11238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 11 and 12 of the Act entitled "An Act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes", approved March 16, 1926 (D.C. Code, secs. 3—114 and 3–115), are each amended to read as follows:

"SEC. 11. The Commissioner of the District of Columbia (hereinafter referred to as the 'Commissioner') may

"(1) make temporary provision for the care of children pending investigation of their status;

"(2) have the care and legal guardianship, including the power to consent to or arrange for adoption in appropriate cases, of

"(A) children who may be committed to the Commissioner as wards of the District of Columbia by courts of competent jurisdiction; and

"(B) children who are relinquished by their parents to the Commissioner or whose relinquishment is transferred to the Commissioner by a licensed child placing agency under section 6 of the Act entitled 'An act to regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32—786); and

"(3) make such provision for the care and maintenance of such children in private homes, under contract, including adoption subsidy pursuant to section 12 of this Act (D.C. Code, sec. 3—115), or in public or private institutions, as the welfare of such children may require; and

"(4) provide care and maintenance for substantially retarded children who may be received upon application or upon court commitment, in institutions or homes or other facilities equipped to receive them, with in or without the District of Columbia.

The Commissioner shall cause the wards of the District of Columbia placed out under temporary care to be visited as often as may be required to safeguard their welfare.

"SEC. 12. (a) Except as provided in subsection (f), the Commissioner may conclude arrangements with persons or institutions at such rates as may be agreed upon.

"(b)(1) The Commissioner may make adoption subsidy payments to an adoptive family (irrespective of the State of residence of the family), as needed, on behalf of a child with special needs, where such child would in all likelihood go without adoption except for the acceptance of the child as a member of the adoptive family, and where the adoptive family has the capability of providing the permanent family relation-

ships needed by such child in all areas except financial, as determined by the Commissioner. Subsidy payments may be made under this section only pursuant to a subsidy payment agreement entered into by the Commissioner and the adoptive parents concerned prior to completion of the adoptive process, but subsidy payments may be made before such adoption becomes final.

"(2) For the purposes of this subsection—

"(A) The term 'child with special needs' includes any child who is difficult to place in adoption because of age, race, or ethnic background, physical or mental condition, or membership in a sibling group which should be placed together. A child for whom an adoptive placement has not been made within six months after he is legally available for adoptive placement shall be considered a child with special needs within the meaning of this section.

"(B) The term 'adoptive family' includes single persons.

"(c) Any public agency, licensed child placing agency, having a child with special needs in foster care or institutional care, or any foster parent having such a child in his home may recommend to the Commissioner a subsidy for the adoption of such child, and may include in the recommendation advice as to the appropriate level of payments and any other information likely to assist the Commissioner in carrying out the provisions of this section. The Commissioner shall make the determination as to whether or not an appropriate adoptive home exists for the child, but in so doing the Commissioner shall refer to the recommendations of the referring agency. If the Commissioner concludes that the child referred is a child with special needs within the meaning of this section, and that an appropritae adoptive home exists for the child, the Commissioner is authorized to enter into a tentative adoption subsidy agreement with the prospective adoptive family, and upon entering into such an agreement with the Commissioner may accept a transfer of relinquishment of parental rights from the referring agency pursuant to section 6 of the Act entitled 'An Act to regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32–786).

"(d) If a child in the custody of the Commissioner or a licensed child placing agency has been in foster care or institutional care for as least six months after the child is considered legally available for adoptive placement, the Commissioner or agency shall inform the family or institution providing care of the possibility of financial aid for adoption under this section. If the family caring for the prospective adoptee applies to the Commissioner for adoption of the child, and if it appears to the Commissioner after study that the family would be an appropriate adoptive family for the child but for the family's economic inability to meet the child's needs, the Commissioner shall enter into a tentative agreement with the family concerning the amount and duration of a proposed subsidy in the event the child is placed for adoption with that family. Thereafter the Commissioner may accept a transfer of relinquishment of parental rights from the referring agency in appropriate cases. The Commissioner shall in all cases take all steps necessary to assist the family in completing the legal and procedural requirements necessary to effectuate the adoption, including payment for legal fees and court costs.

"(e) The amount and duration of adoption subsidy payments may vary according to the special needs of the child, and may include maintenance costs, medical, dental, and surgical expenses, psychiatric and psychological expenses, and other costs necessary for his care and well-being. A subsidy may be paid on a long-term basis to help a family whose income is limited and is likely to remain so; on a time-limited basis to help a family meet the cost of integrating a child into the family over a specified period of time; or on a special services basis to help a family meet a specific anticipated expense or expenses when no other resource appears to be available. Eligibility for payments shall continue until the child reaches eighteen years of age.

"(f) The Commissioner is authorized to make payments under this section from appropriations for the care of children in foster homes and institutions, and to seek and accept funds from other sources including Federal, private, and other public funding sources, to carry out the purposes of this section. The amount expended by the Commissioner for any subsidy may not exceed the highest amount the Commissioner would be authorized to spend in providing or securing support and special services for the child if the child were in the legal custody of the Commissioner. There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

"(g) No adoption subsidy payment be made on behalf of any child with respect to whom an adoption decree has been entered by the Superior Court of the District of Columbia, pursuant to chapter 3 of title 16 of the District of Columbia Code, prior to the effective date of this section.

"(h) Once during each calendar year the Commissioner shall review the need for continuing each family's subsidy. At the time of such review and at other times during the year when changed conditions, including variations in medical opinions, prognosis, and costs are deemed by the Commissioner to warrant such action, appropriate adjustments in payments shall be made based upon changes in the needs of the child. Any parent who is a party to a subsidy agreement may at any time in writing request, for reasons set forth in the request, a review of the amount of any payment or the level of continuing payments. Such review shall be begun not later than thirty days from the receipt of the request. Any adjustment may be made retroactive to the date the request was received by the Commissioner. If the request is not acted on within thirty days after it has been received by the Commissioner, or if the Commissioner modifies or terminates an agreement without the concurrence of all parties, any party to the agreement shall be entitled to a hearing under the applicable provisions of the District of Columbia Administrative Procedure Act (D.C. Code, secs. 1–1501—1–1510).

"(i) The Commissioner shall keep such records as are necessary to evaluate the effectiveness of adoption subsidy as a means of encouraging and promoting the adoption of children with special needs. The Commissioner shall make an annual progress report which shall be open to public inspection. The report shall include, but not to be limited to—

"(1) the number of children placed in adoptive homes under subsidy agreements during the year preceding the annual report and the major characteristics of the children placed; and

"(2) the number of chidren currently in foster care with the Commissioner for six months or more, and the legal status of those children.

The Commissioner shall disseminate information to prospective adoptive families as to the availability of adoptable children and of the existence of aid to families who qualify for a subsidy under this section.

"(j) All rules and regulations adopted by the Commissioner pursuant to this Act shall be published in the District of Columbia Register as required by section 6 of the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1505).".

(b) Section 14 of such Act (D.C. Code, sec. 3–117) is amended to read as follows:

"SEC. 14. The Commissioner may—

"(1) accept for care, custody, and guardianship dependent or neglected children whose custody or parental control has been transferred to the Commissioner, and to provide for the care and support of such children during their minority or during the term of their commitment, including the initiation of adoption proceedings and the provision of subsidy in appropriate cases under section 12 of this Act (D.C. Code, sec. 3–115);

"(2) with respect to all children accepted by him for care, place them in private families either without expense or with reimbursement for the cost of care, or in appropriate cases to place them in private families under an adoption subsidy agreement concluded under section 12 of this Act (D.C. Code, sec. 3–115) or to place them in institutions willing to receive them either without expense or with reimbursement for the cost of care; and

"(3) consent to arrange for or initiate court proceedings for the adoption of all children committed to the care of the Commissioner whose parents have been permanently deprived of custody by court order, or whose parents have relinquished a child to the Commissioner or to a licensed child-placing agency which has transferred the relinquishment to the Commissioner under section 6 of the Act entitled 'An Act to regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32–786).".

SEC. 2. (a) Section 307(b)(1)(D) of title 16 of the District of Columbia Code is amended by inserting immediately after "should have knowledge" the following: ", including the existence and terms of a tentative adoption subsidy agreement entered into prior to the filing of the adoption petition under section 12 of the Act of March 16, 1926 (D.C. Code, sec. 3–115)".

(b) Section 309(b) of title 16 of the District of Columbia Code is amended by adding at the end thereof the following new sentence: "In determining whether the petitioner will be able to give the prospective adoptee a proper home and education, the court shall give due consideration to any assurance by the Commissioner that he will provide or contribute funds for the necessary maintenance or medical care of the prospective adoptee under an adoption subsidy agreement under section 12 of the Act of March 16, 1926".

SEC. 3. The amendments made by this Act shall take effect at the end of the ninety-day period beginning on the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That (a)(1) section 11 of the Act entitled "An Act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes", approved March 16, 1926 (D.C. Code, sec. 3–114), is amended to read as follows:

"SEC. 11. The Commissioner of the District of Columbia (hereinafter referred to as the 'Commissioner') may—

"(1) make temporary provision for the care of children pending investigation of their status;

"(2) have the care and legal guardianship, including the power to consent to or arrange for adoption in appropriate cases, of—

"(A) children who may be committed to the Commissioner as wards of the District of Columbia by courts of competent jurisdiction; and

"(B) children who are relinquished by their parents to the Commissioner or whose relinquishment is transferred to the Commissioner by a licensed child-placing agency under section 6 of the Act entitled 'An Act to

regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32–786); and

"(3) make such provision for the care and maintenance of such children in private homes, under contract, including adoption subsidy pursuant to section 3 of the Act of July 26, 1892 (D.C. Code, sec. 3–115), or in public or private institutions, as the welfare of such children may require; and

"(4) provide care and maintenance for substantially retarded children who may be received upon application or upon court commitment, in institutions or homes or other facilities equipped to receive them, within or without the District of Columbia.

The Commissioner shall cause the wards of the District of Columbia placed out under temporary care to be visited as often as may be required to safeguard their welfare.

(2) Section 3 of the Act of July 26, 1892 (D.C. Code, sec. 3–115), is amended to read as follows:

"SEC. 3. (a) Except as provided in subsection (f), the Commissioner may conclude arrangements with persons or institutions at such rates as may be agreed upon.

"(b)(1) The Commissioner may make adoption subsidy payments to an adoptive family (irrespective of the State of residence of the family), as needed, on behalf of a child with special needs, where such child would in all likelihood go without adoption except for the acceptance of the child as a member of the adoptive family, and where the adoptive family has the capability of providing the permanent family relationships needed by such child in all areas except financial, as determined by the Commissioner. Subsidy payments may be made under this section only pursuant to a subsidy payment agreement entered into by the Commissioner and the adoptive parents concerned prior to completion of the adoptive process, but subsidy payments may be made before such adoption becomes final.

"(2) For the purposes of this subsection—

"(A) The term 'child with special needs' includes any child who is difficult to place in adoption because of age, race, or ethnic background, physical or mental condition, or membership in a sibling group which should be placed together. A child for whom an adoptive placement has not been made within six months after he is legally available for adoptive placement shall be considered a child with special needs within the meaning of this section.

"(B) The term 'adoptive family' includes single persons.

"(c) Any public agency or licensed child-placing agency, having a child with special needs in foster care or institutional care, or any foster parent having such a child in his home may recommend to the Commissioner a subsidy for the adoption of such child, and may include in the recommendation advice to the appropriate level of payments and any other information likely to assist the Commissioner in carrying out the provisions of this section. The Commissioner shall make the determination as to whether or not an appropriate adoptive home exists for the child, but in so doing the Commissioner shall refer to the recommendations of the referring agency. If the Commissioner concludes that the child referred is a child with special needs within the meaning of this section, and that an appropriate adoptive home exists for the child, the Commissioner is authorized to enter into a tentative adoption subsidy agreement with the prospective adoptive family, and upon entering into such an agreement, the Commissioner may accept a transfer of relinquishment of parental rights from the referring agency pursuant to section 6 of the Act entitled 'An Act to regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32–786).

"(d) If a child in the custody of the Commissioner or a licensed child-placing agency has been in foster care or institutional care for at least six months after the child is considered legally available for adoptive placement, the Commissioner or agency shall inform the family or institution providing care of the possibility of financial aid for adoption under this section. If the family caring for the prospective adoptee applies to the Commissioner for adoption of the child, and if it appears to the Commissioner after study that the family would be an appropriate family for the child but for the family's economic inability to meet the child's needs, the Commissioner shall enter into a tentative agreement with the family concerning the amount and duration of a proposed subsidy in the event the child is placed for adoption with that family. Thereafter the Commissioner may accept a transfer of relinquishment of parental rights from the referring agency in appropriate cases. The Commissioner shall in all cases take all steps necessary to assist the family in completing the legal and procedural requirements necessary to effectuate the adoption, including payment for legal fees and court costs.

"(e) The amount and duration of adoption subsidy payments may vary according to the special needs of the child, and may include maintenance costs, medical, dental, and surgical expenses, psychiatric and psychological expenses, and other costs necessary for his care and well-being. A subsidy may be paid on a long-term basis to help a family whose income is limited and is likely to remain so; on a time-limited basis to help a family meet the cost of integrating a child into the family over a specified period of time; or on a special services basis to help a family meet a specific anticipated expense or expenses when no other resource appears to be available. Eligibility for payments shall continue until the child reaches eighteen years of age.

"(f) The Commissioner is authorized to make payments under this section from appropriations for the care of children in foster homes and institutions, and to seek and accept funds from other sources including Federal, private, and other public funding sources, to carry out the purposes of this section. The amount expended by the Commissioner for any subsidy may not exceed the highest amount the Commissioner would be authorized to spend in providing or securing support and special services for the child if the child were in the legal custody of the Commissioner. There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

"(g) No adoption subsidy payment shall be made on behalf of any child with respect to whom an adoption decree has been entered by the Superior Court of the District of Columbia, pursuant to chapter 3 of title 16 of the District of Columbia Code, prior to the effective date of this section.

"(h) Once during each calendar year the Commissioner shall review the need for continuing each family's subsidy. At the time of such review and at other times during the year when changed conditions, including variations in medical opinions, prognosis, and costs are deemed by the Commissioner to warrant such action, appropriate adjustments in payments shall be made based upon changes in the needs of the child. Any parent who is a party to a subsidy agreement may at any time in writing request, for reasons set forth in the request, a review of the amount of any payment or the level of continuing payments. Such review shall be begun not later than thirty days from the receipt of the request. Any adjustment may be made retroactive to the date the request was received by the Commissioner. If the request is not acted on within thirty days after it has been received by the Commissioner, or if the Commissioner modifies or terminates an agreement without the concurrence of all parties, any party to the agreement shall be entitled to a hearing under the applicable provisions of the District of Columbia Administrative Procedure Act (D.C. Code, secs. 1–1501—1–1510).

"(i) The Commissioner shall keep such records as are necessary to evaluate the effectiveness of adoption subsidy as a means of encouraging and promoting the adoption of children with special needs. The Commissioner shall make an annual progress report which shall be open to public inspection. The report shall include, but not be limited to—

"(1) the number of children placed in adoptive homes under subsidy agreements during the year preceding the annual report and the major characteristics of the children placed; and

"(2) the number of children currently in foster care with the Commissioner for six months or more, and the legal status of those children

The Commissioner shall disseminate information to prospective adoptive families as to the availability of adoptable children and of the existence of aid to families who qualify for a subsidy under this section.

"(j) All rules and regulations adopted by the Commissioner pursuant to this Act shall be published in the District of Columbia Register as required by section 6 of the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1505)."

(b) Section 5 of the Act of July 26, 1892 (D.C. Code, sec. 3–117), is amended to read as follows:

"SEC. 5. The Commissioner may—

"(1) accept for care, custody, and guardianship dependent or neglected children whose custody or parental control has been transferred to the Commissioner, and to provide for the care and support of such children during their minority or during the term of their commitment, including the initiation of adoption proceedings and the provision of subsidy in appropriate cases under section 3 of this Act (D.C. Code, sec. 3–115);

"(2) with respect to all children accepted by him for care, place them in private families either without expense or with reimbursement for the cost of care, or in appropriate cases to place them in private families under an adoptive subsidy agreement concluded under section 3 of this Act (D.C. Code, sec. 3–115) or to place them in institutions willing to receive them either without expense or with reimbursement for the cost of care; and

"(3) consent to, arrange for or intiate court proceedings for the adoption of all children committed to the care of the Commissioner whose parents have been permanently deprived of custody by court order, or whose parents have relinquished a child to the Commissioner or to a licensed child-placing agency which has transferred the relinquishment to the Commissioner under section 6 of the Act entitled 'An Act to regulate the placing of children in family homes, and for other purposes', approved April 22, 1944 (D.C. Code, sec. 32–786).".

SEC. 2. (a) Section 307(b)(1)(D) of title 16 of the District of Columbia Code is amended by inserting immediately after "should have knowledge" the "following: ", including the existence and terms of a tentative adoption subsidy agreement entered into prior to the filing of the adoption petition under section 3 of the Act of July 26, 1892 (D.C. Code, sec. 3–115)".

(b) Section 309(b) of title 16 of the District of Columbia Code is amended by adding at the end thereof the following new sentence: "In determining whether the petitioner will be able to give the prospective adoptee a proper home and education, the court shall give due consideration to any assurance by the Commissioner that he will provide or contribute funds for the necessary maintenance or medical care of the prospec-

tive adoptee under an adoption subsidy agreement under section 3 of the Act of July 26, 1892 (D.C. Code, sec. 3–115).".

SEC. 3. The amendments made by this Act shall take effect at the end of the ninety-day period beginning on the date of enactment of this Act.

Mr. STUCKEY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of the bill (H.R. 11238), as set forth in H. Rept. 93–657, is to authorize the Commissioner of the District of Columbia to make adoption subsidy payments on behalf of children with special needs, where such children otherwise would in all likelihood go without adoption, and where the adoptive family is deemed appropriate in all respects but for its economic inability to meet the child's needs.

NEED FOR THE LEGISLATION

According to testimony from District of Columbia officials, there currently are between 2,500 and 2,700 children who are wards of the District Government. Of these, it was estimated that between 200 to 300 could be placed in permanent families with the assistance of an adoption-subsidy program. Approximately 150 such placements are expected within the first year.

The Director of the District of Columbia Department of Human Resources testified that, without adoption subsidies, these children, for the most part, will "linger for years in a foster care situation" where they are subject to "being jostled about in the various changes of foster placement."

PRECEDENTS

Twenty-six States have enacted legislation comparable to H.R. 11238.

The States providing adoption-subsidy programs are: California, Colorado, Connecticut, Delaware, Georgia, Illinois, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington.

The experience of these states indicates there are two primary benefits which flow from a program of subsidized adoption; first, the opportunity to place children in adoptive homes by providing financial resources to prospective parents who otherwise could not afford to consider adoption; second, the decrease in state child welfare expenditures which results from shifting from the state to the adoptive parents portions of the cost of care and responsibility for the child.

HISTORY

On July 27, 1973, the Subcommittee on Labor, Social Services and the International Community held a public hearing on the bill, H.R. 7259, at which time testimony in favor thereof was submitted by officials of the District of Columbia Government and of the Superior Court of the District of Columbia; by representatives of interested community organizations; and by persons directly involved in adoption subsidy programs in other jurisdictions. On September 13, 1973, the Subcommittee held a mark-up session, at which several amendments were approved and ordered incorporated into a clean bill to be reported to the full Committee.

COMMITTEE VOTE

The clean bill, H.R. 11238, on November 5, 1973, was ordered favorably reported by voice vote of the full Committee.

COST

The Committtee is informed by the District of Columbia Government that it estimates the costs of instituting a subsidized adoption program will be $117,450 in the first year, $197,383 in the second year, $166,456 in the third year, $143,200 in the fourth year and $164,820 in the fifth year.

These cost projections reflect short-term added administrative expenses for starting a new program, including the development of procedures and regulations. Also considered are the added costs of providing subsidies for children not currently wards of the District of Columbia and providing court costs and legal assistance for families petitioning to adopt under this Act.

Over the long term, substantial savings are expected by District of Columbia officials because of the greatly reduced costs of overseeing care for a child in an adoptive home, as opposed to costs in a foster home or institution.

Such expected savings were reported during the Committee's hearing, by witnesses familiar with the operation of adoption subsidy programs in the states. The Committee also received written reports, documenting cost savings, from State officials in California, Illinois, Iowa, North Dakota and Washington. Other reports from Maryland, New York and Vermont indicate that ongoing adoption subsidy programs have not resulted in increased child welfare expenditures.

Mr. MAZZOLI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, H.R. 11238, was reported by the Committee on the District of Columbia on November 5, 1973, with a committee amendment which strikes all after the enacting clause to allow for the correction of purely technical drafting errors.

This legislation affects a particularly needful segment of our society—children who have become separated from their natural parents and who face meager prospects for adoption by a loving family.

We are talking about children who are available for adoption, but because of circumstances beyond their control, a physical or mental handicap, their age, their sibling situation, or their race, have not been chosen by prospective adoptive families.

We are talking about children who are wards of the District and who, for the most part, have been placed out in foster homes. In many instances a loving relationship has developed between foster child and foster parent. Yet adoption is not feasible because it would mean the discontinuance of needed financial support, which presently is available only in the foster care situation.

H.R. 11238 addresses this problem by authorizing the Commissioner of the District of Columbia to make subsidy payments which will make it possible for worthy parents to adopt children who have these special needs.

At least 26 States have already enacted legislation of this kind, and their reports to our committee indicate that "adoption subsidies" have made it possible to bestow the priceless gift of a permanent, loving, new family to abandoned or parentless children who in all likelihood would otherwise have remained wards of the State until they reached adulthood.

In some of these States, reduced child welfare costs have reportedly resulted from the use of adoption subsidies. However, in the committee's view, the human good which comes from the provision of a warm and supportive family relationship to a homeless child—more than economic savings—is the true spirit, purpose, and key goal of the bill.

H.R. 11238 provides that subsidy payments cannot exceed what it would cost the District of Columbia to continue to support a child as a public ward. Even so, city officials feel there will be a need for additional funds during the early years of the program to get it established and to make it work efficiently.

Three types of subsidy agreement are specified in H.R. 11238:

First. Long-term basis, to help a family whose income is limited and is likely to remain so;

Second. Time-limited basis, to help a family, during a specified period of time, integrate into their budget the expenses of the care of the new child; and

Third. Special services basis, to help a family meet specific expenses, such as medical procedures or legal costs of the adoption.

During the hearings, the committee was told that there are currently between 2,500 and 2,700 children who are wards of the District of Columbia government. Of these, it was estimated that between 200 and 300 could be placed in permanent families if adoption subsidies were available. We were told that some 150 children might be adopted in the first year alone.

Again, Mr. Speaker, we are talking about children who have the deck cruelly stacked against them, because of physical or emotional handicaps. All have undergone the trauma of separation from natural parents, whether due to death, abandonment, or relinquishment.

At the same time, qualified families are willing to provide permanent homes, permanent family names, permanent affection, and permanent care for these children. But, they cannot do so for one reason—the economic inability to meet the children's needs.

There are many fine and dedicated persons serving the District of Columbia as foster parents, but, your committee heard testimony from the foster parents themselves that foster care is impermanent and falls short of fully meeting the needs of a child. It lacks continuity and often is ended abruptly without suitable transition.

In adoption, of course, the child becomes a permanent member of the family with precisely the same legal status as a natural child.

This, I think is what we all desire for every American child. And, to the extent that H.R. 11238 advances this end, it is a good bill.

The main features of the bill—briefly summarized, are as follows:

To qualify for an adoption subsidy, a family would have to be found appropriate in all respects but for its economic inability to meet the adopted child's needs; and

The level of subsidy payments could not exceed the maximum amount it would cost the District of Columbia to maintain the child as a public ward.

Children eligible for placement under the adoption subsidy program are defined as those who are "difficult to place in adoption because of age, race, or ethnic background, physical or mental condition, or membership in a sibling group which should be placed together," or those for whom placement has not been made within 6 months of the time they became legally available for adoption.

Three types of subsidy agreement are specified in H.R. 11228:

First. Long-term basis, to help a family whose income is limited and is likely to remain so.

Second. Time-limited basis, to help a family, during a specified period of time, integrate into their budget the expenses of the care of the new child.

Third. Special services basis, to help a family meet specific expenses, such as medical procedures or legal costs of the adoption.

Foster parents may seek the assistance of subsidy to adopt a child for whom they have been providing foster care.

Voluntary, licensed adoption agencies, having difficulty to place children under their care, may propose that the District of Columbia Commissioner accept such children for the purpose of placing them through the subsidized adoption program.

The bill provides for annual review of adoption subsidy agreements by the Commissioner and for appropriate adjustments in payment levels, as dictated by "changes in the needs of the child," or other changed conditions affecting the family, if the commissioner determines a subsidy is no longer needed, he may terminate it.

Eligibility for payments extends only until the child reaches the age of 18.

In conclusion, Mr. Speaker, I urge my colleagues to support H.R. 11238.

Mr. KAZEN. Will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman.

Mr. KAZEN. I am not familiar with the provisions of the bill or how the District of Columbia handles this adoption situation. Do I understand now with the passage of this bill family income is no longer going to be a deterrent to adopting children?

Mr. MAZZOLI. The gentleman states the case precisely. Family income would be no deterrent for the adoption of the hard-to-place child and the family would be able to be subsidized not to exceed the amount of money now being paid for foster care. There would be a limitation on the amount of money paid, and this amount of money would be well used, in my opinion.

Mr. GUDE. Will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

As pointed out in the committee report, there are some 26 States—and Texas is one of those—that have a subsidy plan adopted.

Mr. MAZZOLI. That is right.

Mr. GUDE. It is, of course, the only barrier which these families have to not being able to adopt a child; namely, lack of income. They meet all the other requirements. In other words, it has to be a poor family which is otherwise suited to adopt a child.

Mr. MAZZOLI. As the gentleman from Maryland knows, being one of the chief sponsors of the bill, the payments are limited to the amount of money which can presently be paid in the District of Columbia for foster care so we have a limit to the amount of money that can be expended under the program.

Mr. BROYHILL of Virginia. Will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman.

Mr. BROYHILL of Virginia. Of course, as the gentleman stated, this should not cost any additional money and would supply a need for the adoption of some of these children who otherwise would not be adopted. We have children with certain mental deficiencies or other matters in their background. This is more or less a humane approach. We have families who have the love and desire to care for these children but do not have the economic means. I think this is the proper place to put it in perspective.

Mr. MAZZOLI. I thank the gentleman from Virginia.

PRINCIPAL PROVISIONS OF THE BILL

AUTHORITY OF THE COMMISSIONER

The Commissioner of the District of Columbia, in order to enhance adoption opportunities for "difficult to place" children, is authorized to assist adoptive parents in meeting the special needs of such children through the payment of cash subsidies. Such payments can be used to meet maintenance costs; medical, dental and surgical expenses; psychiatric and psychological expenses, and other costs necessary for the well being of the child.

ELIGIBILITY REQUIREMENTS

To qualify for an adoption subsidy, a family would have to be found appropriate in all respects but for its economic inability to meet the adopted child's needs. Single persons may qualify as adoptive parents.

Children eligible for placement under the adoption subsidy program are defined as those who are "difficult to place in adoption because of age, race, or ethnic background, physical or mental condition, or membership in a sibling group which should be placed together," or those for whom placements has not been made within six months of the time they became legally available for adoption. Eligibility extends only until the child reaches the age of 18.

The Committee noted with concern the great number of wards of the District of Columbia, who apparently are unlikely to be reunited with their natural parents, but who are unavailable for adoption because parental rights have not been legally terminated. Members of the Committee expressed the view that this problem should be addressed through separate legislation, which might facilitate the termination of parental rights after efforts to reunite families have proved ineffective.

LEVEL OF PAYMENT

The level of subsidy payments could not exceed the maximum amount it would cost the District of Columbia to maintain the child as a public ward. Present costs to the District for the maintenance of minor wards varies widely, depending upon the needs of the child and the type of care provided. Institutional care generally is far more expensive than foster care. The Committee was informed that the traditional foster care contracts in the District provide $165 per month for children under 12, and $180 per month for those over 12.

During the course of committee hearings on this legislation, a number of witnesses testified that the present level of foster care payments in the District of Columbia is inadequate. Since adoption subsidy payments, in a great many cases, will be limited to what it would have cost the District to keep the child in foster care, the committee directs the attention of the Appropriations Committee to the need for providing the funds necessary to raise the level of foster care payments in the District of Columbia. In this way, improved support can be provided both for children in foster homes and those adopted under subsidy.

The Internal Revenue Service has informed the committee that adoption subsidy payments, so long as they do not exceed expenses incurred in care of the child, need not be included in the gross taxable income of the parents.

TYPES OF SUBSIDY

Three types of subsidy agreements are specified in the bill:

1. Long-term basis, to help a family whose income is limited and is likely to remain so.

2. Time-limited basis, to help a family, during a specified period of time, integrate into their budget the expenses for the care of the new child.

3. Special-services basis, to help a family meet specific expenses, such as medical procedures or legal costs of the adoption.

ADOPTION BY FOSTER PARENTS

Foster parents may seek the assistance of a subsidy to adopt a child for whom they have been providing foster care. In cases where a child, legally available for adoption, has been in a foster home for 6 months, the Commissioner shall notify the family of the possibility of financial aid for adoption. If the family seeks to adopt the child, and is found to be qualified, the Commissioner shall assist the family in completing all legal and procedural requirements and shall pay legal fees and court costs involved.

WARDS OF VOLUNTARY AGENCIES

Voluntary, licensed adoption agencies, having "difficult to place" childen under their care, may propose that the District of Columbia Commissioner accept such children for the purpose of placing them through the subsidized adoption program.

REVIEW AND ADJUSTMENT PROCEDURES

The bill provides for annual review of adoption subsidy agreements by the Commissioner and for appropriate adjustments in payment levels, as dictated by "changes in the needs of the child" or other changed conditions affecting the family. If the Commissioner determines a subsidy is no longer needed, he may terminate it.

AMENDMENTS TO PRESENT LAW

The following sections of the District of Columbia Code are amended as indicated:

(1) Title 3, Section 114. The authority of the Commissioner, with respect to the care and guardianship of children, is broadened to specifically allow for adoption subsidy contracts, and to allow for the arrangement of adoptions for children relinquished to the Commissioner by their parents or by licensed child-placing agencies. References to religious faith are deleted.

(2) Title 3, Section 115. The bill sets forth the circumstances under which the Commissioner can enter into agreements to make adoption subsidy payments. Included are provisions as to eligibility requirements for children and adoptive parents; parties who may recommend a child for subsidy; notification of foster parents eligible to adopt with subsidy; variations in form and duration of adoption subsidy agreements; limitation on amount Commissioner may expend; prohibition against subsidies of previously completed adoptions; requirement for annual review and appropriate adjustments; record-keeping and dissemination of information about the program and publication of regulations.

(3) Title 3, Section 117. The bill provides specifically that the Commissioner may initiate adoption proceedings, including the provision of subsidy in appropriate cases, for children relinquished to his care by their parents or by a licensed childplacing agency, to which the child was previously relinquished.

(4) Title 16, Section 307. The bill provides for informing the Superior Court of the District of Columbia for the existence of adoption subsidy agreements entered into prior to the filing of adoption petitions.

(5) Title 16, Section 309. The bill provides that the Court, in determining the ability of a petitioner to provide for a child, shall take into consideration adoption subsidy agreements made by the Commissioner.

The above amendments shall take effect 90 days following the enactment of this act.

Mr. Speaker, I also include in the RECORD the following report from the Commissioner of the District of Columbia, dated November 23, 1973, which urges favorable consideration of the clean bill, H.R. 11238:

THE DISTRICT OF COLUMBIA,
Washington, D.C., November 23, 1973.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Government of the District of Columbia has for report H.R. 11238, a bill "To amend the Act of March 16, 1926 (relating to the Board of Public Welfare in the District of Columbia), to provide for an improved system of adoption of children in the District of Columbia, and for other purposes." This bill is similar to H.R. 7259 on which the District Government reported July 26, 1973.

H.R. 11238 would amend sections 11, 12, and 14 of the Act entitled "An Act to establish a Board of Public Welfare in and for the District of Columbia, to determine its functions, and for other purposes", approved March 16, 1926 (D.C. Code, secs. 3–114, 3–115, and 3–117). The bill would amend section 11 to provide that the Commissioner of the District of Columbia shall be authorized to: (1) make temporary provision for the care of children pending investigation of their status; (2) have the care and legal guardianship, including the power to consent to or arrange for adoption of children committed as wards of the District by courts of competent jurisdiction and children relinquished by their parents to the Commissioner or children relinquished by a licensed child-placing agency; (3) provide for the care and maintenance of such children in private homes, under contract including adoption subsidy, or in public or private institutions; and (4) provide care, welfare, and maintenance of retarded children.

The bill would amend section 12 of the Act to provide that the Commissioner shall have the authority, in appropriate cases, to consent to adoption with subsidy for wards of the District of Columbia. Subsection (b)(1) of that section would authorize the Commissioner to make adoption subsidy payments on behalf of a child who falls within the definition of a "child with special needs," when such a child would not be adopted otherwise by a qualified family due to lack of adequate financial resources. The bill would define a "child with special needs" as "any child who is difficult to place in adoption because of age, race, or ethnic background, physical or mental condition, or membership in a sibling group which should be placed together" or a child who has not been placed for adoption within six months after he is legally available for adoptive placement.

The amendment of subsection (c) of section 12 of the Act would provide that any person, public agency, or licensed child-placing agency having a child with special needs in foster care or institutional care may recommend to the Commissioner that a child be determined eligible to receive a subsidy for purposes of adoption. The bill provides that the Commissioner shall determine whether the child referred to is a "child with special needs" and if so whether an appropriate adoptive home exists for the child. Upon making those determinations, the Commissioner is authorized to enter into a tentative adoption subsidy agreement with the prospective adoptive parents and to accept a transfer of relinquishment of parental rights from the referring agency, pursuant to section 6 of the Act of April 22, 1944 (D.C. Code, sec. 32–786).

Subsection (d) would provide that if a child who is in the custody of the Commissioner or a licensed child-placing agency, has been in foster care or institutional care for at least six months after being considered legally free for adoption, such family or institution would be informed of the possibility of subsidized adoption for the child. Subsection (e) would provide that the amount and duration of adoption subsidy payments may vary according to the special needs of the child, as determined by the Commissioner but may include in addition to maintenance costs, medical, dental, and surgical expenses, psychiatric and psychological expenses, and other necessary care. The bill would authorize the Commissioner to continue to provide adoption subsidy payments, if necessary, until the child reaches the age of eighteen, provided that the family continues to meet the conditions of the adoption subsidy agreement.

The amendment of subsection (f) of section 12 of the Act would provide that the Commissioner would be authorized to make payments for the care of children with special needs in foster homes and institutions from appropriations as well as Federal, private, and public funding sources. Subsection (g) would make adoption subsidy payments available for prospective adoptions only, and not to families who have already completed the adoption of a child. Subsection (h) would provide that the Commissioner review annually the need for continuing each family's subsidy, and also provide that a parent participating in the subsidy program may request the Commissioner to review the level of subsidy. Subsection (i) would require the Commissioner to maintain necessary records to evaluate the effectiveness of adoption subsidy and to make an annual public report on the number of children placed in adoptive homes, and number of children in foster care for six months or more. Subsection (j) would provide for publication of all rules and regulations adopted by the Commissioner as required by the D.C. Administrative Procedure Act.

The bill would amend section 14 of the Act to provide specifically that the Commissioner would have the authority, which the former Board of Public Welfare and the Department of Public Welfare had, to (1) accept for care, custody, and guardianship dependent or neglected children under his control; (2) place all children accepted by him for care in private families either without expense or with reimbursement for cost of care; and (3) arrange or initiate court proceedings for the adoption, in appropriate cases, of children committed to his care.

Section 2 of the bill would amend the District's adoption law (Act of December 23, 1963, as amended; D.C. Code, section 16–307(b)(1)(D)) to provide that the court may take into account in determining whether or not to grant a petition for adoption the existence and terms of a tentative adoption subsidy agreement entered into prior to the filing of the adoption petition. The bill would also provide that the court give due consideration, in determining whether the petitioner will be able to give the prospective adoptee a proper home and education, to any assurances by the Commissioner that he will provide or contribute funds for maintenance or medical care under an adoption subsidy agreement.

H.R. 11238 incorporates the majority of technical and substantive amendments suggested by the District in our report on H.R. 7259, including the deletion of the requirement that the predominant criterion for child placement be the placement of a child in a home of like religion. While we do not suggest that religion is not an important and relevant factor in making placements, we do not think the Commissioner should be required to specifically justify each case in which a child is placed in an institution, foster home, or adoptive family of a different religion. Placement of a child in a loving home should be the predominant criterion.

The District Government supports the objectives of H.R. 11238 on behalf of children with special needs in the District of Columbia and on behalf of prospective adoptive parents who are in every way, except financially, capable of providing permanent family relationships for such a child. We are of the view that the bill would encompass the major pro-

visions necessary to enable the District of Columbia to locate qualified adoptive homes for many children who might otherwise grow up in foster care.

We are convinced of the need for such legislation. The experience of other States indicates that there are two primary benefits which flow from a program of subsidized adoption: first, the opportunity to place children in adoptive homes by providing financial resources to prospective parents who otherwise could not afford to consider adoption; second, the eventual decrease in State child welfare expenditures which results from shifting from the State to the adoptive parents, the cost of care and responsibility for the child. Our statistics show that approximately 150 children could be placed in adoptive homes in the first year if subsidies could be provided.

The District Government estimates that the cost of instituting a subsidized adoption program would be $117,450 in the first year, $197,383 in the second year, $166,456 in the third year, $143,200 in the fourth year, and $164,820 in the fifth year, for a total 5-year estimated cost of $789,309.

The District Government strongly urges the favorable consideration of H.R. 11238.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of H.R. 11238, to provide for a program of subsidized adoption in the District of Columbia. I wish to thank my distinguished colleague from Kentucky, chairman of the Subcommittee on Labor, Social Services, and the International Community, for his admirable leadership and hard work on behalf of this legislation, and thereby, the people of Washington.

As has been noted, H.R. 11238 will enable the District's Department of Human Resources to provide payments to assist in the adoption of children with special needs, traditionally defined as "hard to place." Such needs include age, race, or ethnic background, physical or mental condition or membership in a sibling group which should be placed together. These subsidies are permitted on a long-term basis, to help a family whose income is limited and likely to remain so; or on a time-limited basis, to help a family meet the cost of integrating the child into the family until, for example, a parent finishes school or gets a better job, or where the mother temporarily leaves her job; or on a special-services basis, to help a family meet specific limited expenses where there is no other resource available.

In all cases, the amount that could be spent for such an adoption subsidy under this legislation may not exceed the amount the Department would be authorized to spend if the child continued in foster or institutional care. In all cases, too, the parents receiving the subsidy must be able to provide the permanent family relationships needed by these children in all areas, except financial.

Mr. Speaker, it is estimated that there are approximately 2,700 children in the District of Columbia who are placed in the category of "dependent and neglected." They are in private child care institutions, traditional foster care, and in group or special foster care. Some have even been temporarily placed in District of Columbia General Hospital at times, with no real medical reason for being there, simply because the District may be running out of qualified places in which to keep them.

Not all of these children, nor even most, would be eligible for immediate placement under an adoption subsidy program of the nature we propose today. Several are not yet legally free for adoption. However, in testimony to the committee, Mayor Washington has indicated that approximately 150 children could be placed in adoptive homes in the first year alone if subsidies are provided. Moreover, this number would be likely to increase simply by virtue of the establishment of such a subsidy program on the books, as this would give incentive to the review of cases not now under consideration, and the initiation of proceedings to free the child legally.

If the alternative is for these children to remain perhaps indefinitely in custodial care—to be shifted from home to institution to another home—then their placement wtih permanent families under a subsidized program is justified on that basis alone, whether for one child, 100 or 1,000 children.

Twenty-six States have enacted a subsidized adoption program in some form or another. In other States, it is a matter pending before the legislature. It is a concept strongly endorsed by the Child Welfare League of America and other groups interested in this field. In our hearings before the subcommittee this July, we received overwhelmingly favorable testimony from the Mayor, the District of Columbia City Council, Judge Green of the Superior Court and several local child placement agencies, professional social workers and interested citizens. These included Catholic Charities, Lutheran Social Services of the National Capital Area and the Foster Parents Association of Washington.

It may be noted that the savings to the public under subsidized adoption programs have been substantial. Many of the families need short-term, time-limited subsidies only. Furthermore, the experience of many States has been that because of the publicity focused on the children as a result of these new programs, many families eventually determined to be without need for financial assistance came forward to provide homes for them.

That is what it all boils down to, Mr. Speaker—providing permanent, loving relationships for these "unwanted" children. Dollars and cents and statistics are not the issue here. The value of a stable home life for the minority child, the older child, the handicapped and the retarded child cannot be measured in such terms. Our main consideration must be the child. We know that there are several good people out there anxious to have these children in their families, but for the costs. How tragic it would be to allow a financial barrier to block the path of the child into a home for life.

We simply want these children to reach their highest potential of development. Subsidies to parents as provided for in this legislation will help us achieve that very basic goal. I urge my colleagues' support to this end.

Mr. GROSS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I should like to ask someone knowledgeable about this bill if it pertains only to retarded children and/or otherwise handicapped children, or does it apply to all adoptive children?

Mr. MAZZOLI. Mr. Speaker, if the gentleman will yield, I am not sure that I am knowledgeable, but the bill did come out of our subcommittee. The gentleman from Iowa is correctly stating the issue that the bill does deal simply and solely with the hard-to-place child. That child is defined as one who has a mental defect or disability, or a physical disability, or a child who is part of a sibling group, such as triplets, which pose a special problem in their being placed, or a child who has been in the custody of the District of Columbia longer than 6 months without being placed where authorities have been seeking to place the child.

It was testified that there are no more than 200 or 300 of such children out of the approximately 2,700 children who are wards of the District of Columbia.

Mr. GROSS. So that in no instance is it designed to help adoptive children who are sound of mind and limb?

Mr. MAZZOLI. The gentleman from Iowa is correct.

Mr. GROSS. Is not so designed?

Mr. MAZZOLI. Is not.

Mr. GROSS. What is the estimated or indicated cost of this legislation?

Mr. MAZZOLI. Mr. Speaker, if the gentleman will yield further, on page 5 of the committee report we have a 5-year estimate which was provided by the District of Columbia Commissioner of Human Resources. The cost for the first year is estimated to be $117,000; the second year, $197,000; the third year $166,000, the fourth year $143,000, and the fifth year $164,000.

But if the gentleman from Iowa will yield further, we, in going over the report which we just received this morning from the District of Columbia officials, we find that there perhaps was an accounting error made downtown in that the estimate included costs which we believe would not be involved such as the foster-care payments, which would be terminated when the subsidy payments were started. Nor were costs of social worker visits which would be terminated once we have a permanent adoption mode, taken into consideration as projected savings.

But nonetheless, the figures which have been supplied to us and which have been placed in the RECORD, will total the amount that I have suggested. Again I say that we think that they are erroneously figured on the high side, but as I say, we have no actual proof at this point.

Mr. GROSS. We all know that funds of the Federal Government contribute very handsomely to the District of Columbia and that, therefore, Federal funds would be available for this program in the District of Columbia even though on an indirect basis. What funds are used in

the various States which have an adoptive program of this nature?

Mr. MAZZOLI. If the gentleman would yield, the gentleman is aware of the Iowa program. This gentleman served some information of this program on the gentleman from Iowa. Those funds, of course, came from the States simply and solely, except as it might possibly be that they can take some of the Federal social security money, some of the social services money, and use it in those directions.

I cannot verify that only Iowa money goes for the Iowa program. I would be inclined to think that there would be some Federal money from the various social services program which finds its way into the subsidized adoption program in the State of Iowa.

Mr. GROSS. It is not proposed by the District of Columbia Committee to expand this into a subsidy program for all children subject to adoption?

Mr. MAZZOLI. If the gentleman would yield further, I would oppose that as vociferously as I opposed, earlier today, the bill eliminating usury.

Mr. GROSS. I thank the gentleman from Kentucky for his frank answers.

The SPEAKER. The question is on the committee amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

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

Mr. FLOWERS. 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 350, nays 0, not voting 83, as follows:

[Roll No. 594]

YEAS—350

Abdnor	Breckinridge	Clay
Adams	Broomfield	Cleveland
Addabbo	Brotzman	Cochran
Alexander	Brown, Calif.	Cohen
Andrews, N.C.	Brown, Mich.	Collins, Tex.
Andrews, N. Dak.	Broyhill, N.C.	Conable
	Broyhill, Va.	Conlan
Archer	Buchanan	Conte
Arends	Burgener	Conyers
Armstrong	Burke, Fla.	Corman
Aspin	Burke, Mass.	Cotter
Bafalis	Burleson, Tex.	Coughlin
Baker	Burlison, Mo.	Crane
Barrett	Burton	Cronin
Bauman	Butler	Culver
Bennett	Byron	Daniel, Dan
Bergland	Camp	Daniel, Robert W., Jr.
Bevill	Carey, N.Y.	
Biaggi	Carney, Ohio	Daniels, Dominick V.
Biester	Carter	
Bingham	Casey, Tex.	Danielson
Blatnik	Cederberg	Davis, Ga.
Boggs	Chamberlain	Davis, S.C.
Boland	Chappell	Davis, Wis.
Bowen	Clancy	de la Garza
Brasco	Clausen, Don H.	Delaney
Bray		Dellums
Breaux	Clawson, Del	Denholm
Dennis	Kastenmeier	Rogers
Derwinski	Kazen	Roncallo, Wyo.
Devine	Kemp	Roncallo, N.Y.
Dickinson	Ketchum	Rooney, Pa.
Dingell	King	Rosenthal
Donohue	Kluczynski	Roush
Drinan	Kyros	Rousselot
Dulski	Landgrebe	Roy
Duncan	Latta	Roybal
du Pont	Leggett	Runnels
Edwards, Calif.	Lehman	Ruppe
Eilberg	Lent	Ruth
Erlenborn	Litton	Ryan
Esch	Long, La.	St Germain
Evans, Colo.	Long, Md.	Sandman
Evins, Tenn.	Lott	Sarasin
Fascell	Lujan	Sarbanes
Findley	McClory	Satterfield
Fish	McCloskey	Scherle
Fisher	McCollister	Schneebeli
Flood	McDade	Schroeder
Flowers	McEwen	Sebelius
Flynt	McFall	Seiberling
Ford, Gerald R.	McKay	Shoup
Ford, William D.	McSpadden	Shriver
	Madden	Shuster
Forsythe	Madigan	Sikes
Fountain	Mahon	Sisk
Fraser	Mailliard	Skubitz
Frelinghuysen	Mallary	Slack
Frenzel	Mann	Smith, Iowa
Frey	Maraziti	Smith, N.Y.
Froehlich	Martin, N.C.	Staggers
Fulton	Mathis, Ga.	Stanton, J. William
Fuqua	Matsunaga	
Gaydos	Mayne	Stanton, James V.
Gettys	Mazzoli	
Giaimo	Meeds	Stark
Gibbons	Metcalfe	Steed
Gilman	Mezvinsky	Steelman
Ginn	Michel	Steiger, Ariz.
Goldwater	Milford	Stratton
Gonzalez	Miller	Stuckey
Goodling	Minish	Studds
Gray	Minshall, Ohio	Sullivan
Green, Oreg.	Mitchell, Md.	Symington
Green, Pa.	Mizell	Symms
Griffiths	Mollohan	Talcott
Gross	Moorhead, Calif.	Taylor, Mo.
Grover		Taylor, N.C.
Gude	Moorhead, Pa.	Teague, Calif.
Guyer	Morgan	Thompson, N.J.
Haley	Mosher	Thomson, Wis.
Hamilton	Murphy, Ill.	Thone
Hammer-schmidt	Murphy, N.Y.	Thornton
	Myers	Towell, Nev.
Hanley	Natcher	Treen
Hanna	Nedzi	Ullman
Hanrahan	Nichols	Vander Jagt
Hansen, Idaho	Obey	Vanik
Harrington	O'Brien	Veysey
Harsha	O'Neill	Vigorito
Harvey	Owens	Waggonner
Hastings	Parris	Waldie
Hawkins	Passman	Walsh
Hays	Patten	Wampler
Hechler, W. Va.	Perkins	Ware
Heckler, Mass.	Pettis	Whalen
Heinz	Peyser	White
Helstoski	Pickle	Whitehurst
Henderson	Poage	Whitten
Hicks	Powell, Ohio	Widnall
Hillis	Preyer	Wiggins
Hinshaw	Price, Ill.	Williams
Hogan	Price, Tex.	Wilson, Bob
Holifield	Pritchard	Wilson, Charles H., Calif.
Holt	Quie	
Holtzman	Quillen	
Horton	Railsback	Winn
Hosmer	Randall	Wright
Howard	Rangel	Wyatt
Huber	Rarick	Wylie
Hudnut	Rees	Wyman
Hunt	Regula	Yates
Hutchinson	Reuss	Yatron
Johnson, Calif.	Rhodes	Young, Fla.
Johnson, Colo.	Riegle	Young, Ill.
Jones, Ala.	Rinaldo	Young, Tex.
Jones, N.C.	Roberts	Zablocki
Jones, Okla.	Robinson, Va.	Zion
Jones, Tenn.	Robison, N.Y.	Zwach
Jordan	Rodino	
Karth	Roe	

NAYS—0

NOT VOTING—83

Abzug	Badillo	Brooks
Anderson, Calif.	Beard	Brown, Ohio
	Bell	Burke, Calif.
Anderson, Ill.	Blackburn	Chisholm
Annunzio	Bolling	Clark
Ashbrook	Brademas	Collier
Ashley	Brinkley	Collins, Ill.
Dellenback	McCormack	Rostenkowski
Dent	McKinney	Shipley
Diggs	Macdonald	Snyder
Dorn	Martin, Nebr.	Spence
Downing	Mathias, Calif.	Steele
Eckhardt	Melcher	Steiger, Wis.
Edwards, Ala.	Mills, Ark.	Stephens
Eshleman	Mink	Stokes
Foley	Mitchell, N.Y.	Stubblefield
Grasso	Moakley	Teague, Tex.
Gubser	Montgomery	Tiernan
Gunter	Moss	Udall
Hansen, Wash.	Nelsen	Van Deerlin
Hébert	Nix	Wilson, Charles, Tex.
Hungate	O'Hara	
Ichord	Patman	Wolff
Jarman	Pepper	Wydler
Johnson, Pa.	Pike	Young, Alaska
Keating	Podell	Young, Ga.
Koch	Reid	Young, S.C.
Kuykendall	Rooney, N.Y.	
Landrum	Rose	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Ichord.
Mr. Dent with Mrs. Chisholm.
Mr. Udall with Mr. Brinkley.
Mr. Mills of Arkansas with Mr. Mathias of California.
Mrs. Grasso with Mr. Badillo.
Mr. Pepper with Mr. McKinney.
Mr. Foley with Mr. Blackburn.
Mr. Anderson of California with Mr. Dorn.
Mr. Annunzio with Mr. Young of Alaska.
Mr. Brademas with Mr. Ashbrook.
Mrs. Burke of California with Mr. Brown of Ohio.
Mr. Brooks with Mr. Martin of Nebraska.
Mr. O'Hara with Mr. Anderson of Illinois.
Mr. Moss with Mr. Johnson of Pennsylvania.
Mr. Macdonald with Mr. Gubser.
Mr. Reid with Mr. Stokes.
Mr. Nix with Mr. Podell.
Mr. Van Deerlin with Mr. Eshleman.
Mr. Rostenkowski with Mr. Wydler.
Mr. Gunter with Mr. Beard.
Mr. Shipley with Mr. Mitchell of New York.
Mr. Charles Wilson of Texas with Mr. Kuykendall.
Mr. Wolff with Mr. Steiger of Wisconsin.
Mr. Diggs with Mr. Eckhardt.
Mr. Hébert with Mr. Young of South Carolina.
Mrs. Hansen of Washington with Mr. Nelsen.
Mr. Koch with Mr. Bell.
Mr. Landrum with Mr. Downing.
Mr. Pike with Mr. Snyder.
Mr. Rose with Mr. Collier.
Mr. Stephens with Mr. Hungate.
Mr. Teague of Texas with Mr. Edwards of Alabama.
Mr. Ashley with Mr. Spence.
Ms. Abzug with Mr. Young of Georgia.
Mr. Clark with Mr. Steele.
Mrs. Collins of Illinois with Mr. Keating.
Mr. Jarman with Mr. McCormack.
Mrs. Mink with Mr. Moakley.
Mr. Montgomery with Mr. Patman.
Mr. Stubblefield with Mr. Tiernan.
Mr. Melcher with Mr. Dellenback.

The result of the vote was annouced as above recorded.

A motion to reconsider was laid on the table.

MAKING TECHNICAL CORRECTIONS IN THE ENGROSSMENT OF H.R. 6186

Mr. STUCKEY. Mr. Speaker, I ask unanimous consent that the Clerk be authorized in the engrossing process to make the following technical amendments to H.R. 6186:

On page 1, line 8, strike "subchapter" and insert in lieu thereof "article".

Page 2, lines 5 and 7 strike "subchapter" and insert in lieu thereof "article".

And on the last line of the amendment strike "subchapter" and insert in lieu thereof "article".

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

There was no objection.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GUAM MILITARY RELATIONS

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

Mr. WON PAT. Mr. Speaker, on October 11, 1973, in the floor discussion of the military construction bill, I pointed out to the Congress the difficulties the Government of Guam and my office have encountered in obtaining information from the Pentagon regarding their land-use requirements in the territory of Guam.

The Armed Forces Journal International, a prestigious publication widely read by the Defense Establishment, has written an excellent article outlining the problems Guam is having with the military. The article appears in the November issue of the Journal, and I am pleased to include it in the RECORD at this time for the information of my colleagues:

GUAM GETS SILENT TREATMENT ON NAVY PLANS FOR IDLE LANDS

While more than one-fifth of the land which the Department of Defense holds on Guam lies idle, the island's citizens are becoming increasingly impatient because no one will tell their Governor or Delegate to the U.S. House of Representatives what plans, if any, exist for its eventual use.

Its disposition is important to the Guamanians because almost one-third of the 212 sq. mi. island—50,000 acres out of 136,000—is federally owned land, held for "national security purposes" since the island was liberated from the Japanese in 1944. But despite the dramatic rise in military activity on the island during the Vietnam War, 11,000 acres of the DoD-held land still sits "abandoned for all practical purposes and off limits to the very people who could make the land productive once again," according to Antonio Won Pat, Guam's Delegate to the House of Representatives.

"To a people living on an island only 30 miles long and 8 miles wide," he noted during recent House debate on the FY 74 Military Construction Authorization bill, "every acre counts. Guam cannot afford the luxury of having 11,000, 5,000 or even 1,000 acres of our best land idle."

The Navy seems to be largely responsible for the unused 11,000 acres that Guamanians would like to have back if DoD's only plan is to keep it in cold storage for another quarter century. Won Pat told his fellow Representatives, "I regret to state that the U.S. Navy is relentlessly pursuing a course which will certainly destroy the amiable and close relations between the civilian and military communications on Guam unless promptly checked."

Guam had a population of 89,926 in 1972; 32,993 of these were DoD military or civilian personnel and their dependents. Most of these are Navy (59% of all dependents, for instance).

Guam has begun to develop on a large scale during past years and the problem of land shortage has become acute. Tourism has grown from 10,000 tourists just 5 years ago to 130,000 in 1973 and the population is "soaring." (The number of U.S. military personnel stationed there dropped from 17,000 to 16,000, however, just between last March and June.) Won Pat says that Guamanians urgently need the unused Navy land for housing, schools, parks, hospitals, nursing homes and "to use our limited resources to develop an economy separate from the vicissitudes of military spending, which is precarious at best."

Along with his Governor, Won Pat has been unable to gain release of the unused land, much less find out what plans, if any, the Navy has for ever using the 11,000 acres. Last year, he asked the President's Property Review Board to study DoD's long range land requirements on the island. The study, known as Project Gateway, was completed by the Navy last September but classified. Late last March, Won Pat wrote to then Defense Secretary Elliot Richardson asking that certain portions of the study, relating to Guam but not to strategic matters, be declassified.

SLOW MAIL

Five weeks later, he received a letter from Deputy Assistant Secretary of Defense Edward J. Sheridan that action had been initiated to provide him with an unclassified version of the Gateway study. Sheridan noted specifically, "We hope to be able to provide you with this document within the next few weeks."

"Seven months later," Won Pat says, "the Governor of Guam and I have yet to lay eyes on this elusive study, despite repeated requests."

AFJ has learned that Guamanians never will see the study. It is obsolete and another study has been initiated to "update it." "Project Gateway is no longer relevant," AFJ was told.

Asked why Don Pat hadn't been notified of this, DoD's Sheridan said that he was being advised of the new study in a letter that had been forwarded to Defense Secretary James Schlesinger for signature "2 or 3 days ago." But when Sheridan checked on the letter's status, he found that it had been sent for signature on September 27th and was still awaiting action 3½ weeks later. It won't tell the Guamanians much—except that they can't have the Gateway plan because a new one is being prepared while DoD restudies its worldwide basing posture.

Meanwhile, one Navy official has voiced an objection to briefing Guam's Governor on even the tentative Gateway results because, he said, "classified material can't be shown to non U.S. citizens." (Guamanians are U.S. citizens and have been ever since the Organic Act of 1950, passed 23 years ago.)

That same Navy official might also be surprised to learn that on a somewhat similar issue just a few years ago; a senior Navy civilian official showed the Governor of Puerto Rico a secret paper on the Navy's plans to expand the Culebra gunnery range. (After an AFJ query last year about the Governor's security clearances, the Navy declassified the paper but admitted that it was still classified secret at the time Joseph Grimes showed it to then Governor Luis Ferre. Navy spokesmen said Grimes acted within existing security regulations in making the paper available.)

Guam and Puerto Rico hold identical status as U.S. territories who are represented but do not have a vote in Congress.

One DoD official told AFJ he "got the point" but couldn't offer an answer when asked why the Governor of one territory enjoys a visibility another doesn't over Navy plans affecting their territories.

Won Pat stresses that Guamanians "are proud of our part in helping the military to do its job" and that their loyalty to America is unquestioned. He notes, for instance, that almost 4000 Guamanians serve in the Armed Forces. (This would amount to almost 8% of Guam's civilian population, compared with a national average of about 1% for service in uniform.) "We want to preserve Guam's role in America's strategic plans," he says, but noted also that given the kind of answers Guamanians haven't been getting about those 11,000 idle acres, a complicated issue could mushroom "into a bitter and insoluble dispute."

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT STILL REFUSES TO ACKNOWLEDGE SEVERITY OF ENERGY CRISIS

(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, last night President Nixon proposed a series of emergency energy steps. They include the 50-mile-per-hour speed limit, the cutback on outdoor lighting, a ban on Sunday sales of gasoline and other miscellaneous measures.

These are all commonsense items which Congress already had included in the emergency energy legislation that is now moving toward enactment. The Senate passed the bill last week.

What was lacking from the President's message is any intimation of a coherent national energy policy. The President still refuses to acknowledge the scope and severity of the energy crisis. He is trying to make the public believe that the shortage will not be as bad as it actually will be, and that the energy-savings measures will save more fuel than they actually will.

There was no call in the President's message for the long-range research we need to develop alternate sources of energy. He mentioned nothing about rationing to conserve supplies we have. He outlined no comprehensive program for dealing with this energy crisis.

The only heartening thing about the message is the indication that he is at last ready to accept some of the actions that Congress has been urging upon him for the past year and more. I was especially glad to hear that the President will sign the mandatory fuel allocation bill. This is the same bill which his administration deliberately stalled all summer.

Mr. Speaker, in a thorough and detailed white paper issued last weekend, you described the initiative and the actions of the Congress with regard to energy. You contrasted this work of the Congress with the delay and indifference of the administration.

I ask unanimous consent that the entire 22-page document be printed in the RECORD.

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

There was no objection.

The document follows:

THE ENERGY CRISIS

(Statement of Representative CARL ALBERT, the Speaker, U.S. House of Representatives, Nov. 25, 1973)

In a major statement presenting the Congressional view of America's energy crisis, Speaker of the House Carl Albert today charged that the Nixon Administration is not doing enough to counteract growing power shortages and that Administration policies have actually played a major part in causing the energy crisis.

"America faces an extremely severe energy shortage during the coming months," the Speaker of the House said, and the causes of the shortages "go back many years and are deeply rooted in long-standing policies pursued by the Nixon Administration."

In a lengthy statement, Speaker Albert itemized mistakes made by the Administration, including:

Impounding millions of dollars in funds appropriated by Congress for energy research and development—while simultaneously criticizing the Congress for not doing enough to solve the energy crisis.

Maintaining an Oil Import Control program which kept foreign oil out of the United States during recent years while America's fuel reserves were falling to dangerously low levels.

Refusing to implement the mandatory fuel allocation authority granted by Congress until it was too late to make much impact on the distribution of fuel supplies and then, at this late date, implementing the program ineffectively.

Failing to draw up contingency plans and to stockpile adequate fuel reserves in the face of obvious political instability in the Middle-East.

Mishandling the price control program by freezing gasoline prices at seasonal peaks and home heating oil at seasonal lows, thus forcing refiners to convert crude oil to gasoline instead of to heating oil in preparation for the winter months.

Failing still at this late date to realize, and to tell the American people, how tight our energy supplies really are and to take the far more stringent allocation, rationing and conservation measures that are our "only hope of riding out the difficult winter just ahead and the difficult years which will follow."

The Speaker of the House stated that Administration spokesmen are touring the country in an effort to "rewrite the history of the energy crisis" to suit their own needs, trying to create the impression that the Congress is responsible for energy shortages but that, in reality, "quite the opposite is true."

Speaker Albert pointed out that "the President had no program" for meeting emergency energy needs and that, without exception, all the emergency legislation which Nixon requested in his November energy address was legislation which a "determined Congress" was about to force on a President who had not been willing to use even those authorities he already had.

The Speaker of the House also termed Nixon's $10 billion dollar energy research and development program a "paper program" created simply by reshuffling existing programs under new budget titles.

"It has become apparent that fully two-thirds of the funds for the 'new' program are funds already budgeted. Only about one-third is new money, and the rest is simply a result of reshuffling existing budget titles to place activities only vaguely connected with energy research and development under this heading" the Speaker said.

The Speaker also criticized the Administration's plans for use of energy research and development funds, saying that nowhere in the program are sufficient funds for coal liquification and gasification and other forms of potentially valuable energy research and development.

Throughout his statement, Speaker Albert stressed the need for President Nixon to be honest with the Congress and the American people about energy shortages.

The Speaker stated that it will be difficult for the Congress to "look past the bitterness" the President is engendering in trying to create the impression that it is the Congress, rather than his own Administration, which has placed the Nation in its present serious difficulties.

The Speaker of the House concluded that the Congress would have to challenge both the President's version of events leading up to the energy crisis and his analysis of the gravity of the situation.

"The Administration's story on the energy crisis is wrong and, if it goes unchallenged, history will catch up with America just as surely as it is now catching up with the Nixon Administration," the Speaker said.

THE ENERGY CRISIS

(Statement of Representative CARL ALBERT, the Speaker, U.S. House of Representatives, Nov. 25, 1973)

America faces an extremely severe energy shortage during the coming winter months and for the foreseeable future.

Following on the heels of a year of rapid inflation, during which the average person's real purchasing power has actually declined by several percent, the sudden appearance of severe energy shortages is a disheartening and even frightening event.

At best, these shortages mean serious inconvenience—and potentially even danger—for American families, who will find themselves without enough fuel to heat their homes this winter, without sufficient gasoline for their cars, and without enough energy to run their places of employment, their factories, their farms and businesses.

At worst, the energy shortages will mean massive disruption of our Nation's life and economy, closing of factories and schools, declining production, and widespread unemployment rising to 8% or even higher.

The fact that energy shortages have burst so suddenly upon the public's awareness does not mean that this problem has developed overnight. In fact, quite the opposite is true—the origins of the shortages we are now experiencing go back many years and are deeply rooted in long-standing policies pursued by the Nixon Administration.

I. NEED FOR CANDOR WITH THE AMERICAN PEOPLE

Early in November, President Nixon presented a message concerning energy shortages to the American people. In his message, and on several occasions since then, the President has attempted to place the responsibility for the serious shortages we are now facing on international events, on our standard of living, and on the Congress—especially on Congress.

Even in his initial address, in which he called for national unity and cooperation from the Congress in solving our energy supply problems, President Nixon sought to convey to the American people the impression that the Congress is chiefly responsible for current energy shortages—an assertion which I believe will not withstand an examination of the facts.

In truth, the President has tried to place the blame for the energy shortages we are experiencing almost everywhere except where the greatest share of responsibility for scarcities really belongs—at the doorsteps of the Nixon Administration. Even as I write, the President's surrogates are touring the country, repeating the Administration's assertion that delays by the Congress, and not Administration negligence, are primarily to blame for our energy supply problems.

In view of the Administration's concerted efforts to mislead the Nation regarding where responsibility lies for our energy shortages, I believe it is necessary to outline the events which have lead up to present energy scarcities, and to place before the American people information which will help clarify the Nixon Administration's mishandling of and even causing of those events.

This is a task I would much prefer not to have to undertake, for a spirit of cooperation among the branches of government is essential during a crisis, and—let there be no doubt—America is facing a crisis of immense proportions.

However, President Nixon has once again chosen not to be candid with the American people—not about the magnitude of the crisis we are facing—not about the origins of, and responsibility for, the crisis; and not about the ease with which the problems we are facing will be solved.

I therefore believe that it is incumbent upon the Congress to provide for the American people the facts regarding the origins and seriousness of the current energy supply situation—for at this point in time basic honesty by the government with the people concerning our situation must take precedence over Congressional cooperation with an Executive branch which has, unfortunately, chosen not to be candid concerning the magnitude of the crisis we are facing, and which has chosen to rewrite the history of the origins of the energy crisis to suit its own purposes.

The President has promised the American people more than I—and he—know can be delivered. President Nixon has told the Nation that there will be no real suffering on the part of our citizens.

In my judgment, we stand a better than even chance of experiencing an actual decline in production next year, accompanied by widespread unemployment among our people, perhaps even reaching above 8%.

President Nixon has told the Nation that his Administration has acted quickly and responsibly to meet the energy crisis.

In fact, the Administration is in chaos. It has no effective leadership with which to meet this crisis and it has not taken anything like the actions which will be necessary to avert a major recession.

There has been a succession of no fewer than four energy policy heads in as many months.

The Administration is speaking on energy matters with at least eight voices, none of whom are saying the same things.

The steps to conserve energy taken by the Nixon Administration thus far are more cosmetic than meaningful—and they are nothing like the stringent measures which must be taken, and taken now, if we are to survive the immediate energy shortage without severe damage to our Nation's well-being, economy, and security.

President Nixon has told the Nation that the Congress has been dragging its feet on energy matters and is therefore responsible for the current shortages.

In reality, quite the opposite is true. Those constructive measures which have been taken and will be taken in the immediate future (including the emergency legislative recommendations which the President has taken as his own) have originated without exception in the Congress, and not in the Administration.

It is the Nixon Administration which has dragged its feet, by failing to implement the authorities granted to it by the Congress in the energy field; by asking the Congress to retard the development of its own legislation; and by failing to deliver to the Congress promised legislative recommendations.

In fact, there is very substantial evidence—which I shall present—that the policies pursued by the Nixon Administration have themselves been a major factor in precipitating America's energy crisis.

To understand fully the origins of our energy crisis, and the inaccuracy with which the President has described them to the American people, it is necessary to examine the record of the Nixon Administration and the record of the Congress on energy matters with some care.

II. THE NIXON RECORD ON ENERGY MATTERS—EMERGENCY MEASURES

It is illuminating—if painful—to survey the Nixon record on energy matters. A point-by-point review of the Administration's actions—and more frequent inaction—will make clear the extent to which the Nixon Administration has failed in addressing our energy problems squarely.

Let us begin by examining the emergency measures taken by the President last week.

To begin with, there is not one of these measures which could not have been implemented more than two years ago. And even more important, these measures represent far too little action and they have been taken far too late. Consider:

Nuclear power plant construction

The President has asked the Atomic Energy Commission to speed licensing and construction of nuclear power plants to reduce the time required to build these plants from ten years to six years.

In reality, the AEC has been struggling unsuccessfully for over 18 months to reduce the ten year lead time but has been unable to because of the immensely complicated technical problems of nuclear power plant construction—unless we are willing to sacrifice the safety of the American people. Furthermore, we are currently deriving only about one percent of our Nation's energy from nuclear power plants. If the number of plants were increased four-fold in the next five years—which is simply not possible—the amount of power generated would still be insignificant relative to our immediate shortages and to the long-term needs of the American economy.

This Presidential proposal for speeding nuclear power plant construction, which sounds so reassuring at first, turns out to be a command to do the perhaps impossible which, even if it could be done, would have an almost negligible effect on our total energy supply situation over the next few years.

Power plant conversion

The President stated that efforts would be made to convert oil burning power plants back to coal and to prevent new conversions from coal to oil.

There are several important observations to make on this point.

First, President Nixon's statement assumes that we have an adequate ready supply of coal. This is very far from true. Coal itself is in very short supply, and the situation is likely to get much worse before it improves.

There are severe shortages of many important items used in mining. For example, there is a shortage of diesel fuel used by the big shovels and in hauling coal in the mines and on barges. (Under the Nixon Administration's inadequate mandatory fuel allocation program, vital energy producers such as coal companies have, until very recently, received no more diesel fuel than they received last year.) And because the Administration implemented its price control program without proper regard for growing energy shortages, there is an extreme scarcity of the explosives and other equipment used in mining coal. There is also a scarcity of coal-hauling rail cars, and rail traffic itself has hardly yet recovered from the chaos wrought by the Administration's grain deals.

In fact, shortages in the coal industry are so severe that some of the big coal companies are currently meeting only about 60% of their existing contract commitments and are considering closing down by the end of December.

In view of all these shortages, the coal industry can expand production only by about 10% by next summer. Since coal currently accounts for about 18% of America's total energy consumption, this means that we can—through use of coal—increase our energy supplies barely at all this winter and by less than 2% by next June or July.

It will be literally years before coal production can even begin to make up for energy shortages. It takes about four years to open an underground mine and almost half that time to open a strip mine.

In short, it will be a long, cold winter for those who await resolution of our energy problems from the coal industry.

But suppose, for a moment, that coal were available—what about the oil to coal conversion measure for power plants suggested by the President? According to the Federal Power Commission, fewer than half the oil-fired power plants in the country could be converted to coal, and these conversions could not be completed in time to make any difference in the energy situation for the 1973–74 winter season.

Furthermore, in the East, where power plant conversion was begun many years ago, there are very few large plants left which can be converted back to coal at all—and this is the portion of the Nation expected to experience the most severe residual fuel shortages this winter, up to 48% below needs, according to an Interior Department advisory group.

Finally, it is very important to note that power plant conversions from coal to oil have been made necessary in the first place by terribly bad air pollution problems, literally a hazard to public heatlh and safety. President Nixon's failure to act soon enough and effectively enough on energy problems has placed us in a bind in which we sacrifice our energy production and our standard of living, or we sacrifice clean air and our health.

Thus this Presidential proposal for using coal rather than oil this winter—which seems so reasonable at first glance—in fact offers very little in terms of real contribution to solving our energy problems in the coming year and for some years in the future.

Speed limit reductions

President Nixon's proposal, which originated in Congress and passed the Senate last June, to governors and mayors to make across-the-board speed limit reductions to 50 miles an hour is another example of the Administration's shooting from the hip when carefully thought out plans are needed. The proposal has some merit, but it is far too little and far too late. Furthermore, there have been nationwide protests from bus and trucking firms for whom such a speed limit would actually result in increased fuel consumption because of massive disruption of schedules and because their engines are designed to run more efficiently at high speeds than at low speeds. While a 50-mile-an-hour speed limit—or lower—for passenger cars is desirable, imposition of such a speed limit on scheduled buses and trucks will wreak havoc with the efficiency of these industries. Had anyone in the Administration given even a moment's thought to this proposal before it surfaced in President Nixon's statement, it would have been apparent how incomplete and imperfect the implementation plans for this basically sound proposal were.

Mandatory fuel allocation program

President Nixon has announced his intention at long last to implement a mandatory fuel allocation program.

The Congress—whom Nixon is trying to blame for our energy problems—gave him the authority to require sensible allocation of available fuel supplies to various parts of the Nation years ago and then strengthened this authority more than half a year ago under the Economic Stabilization Act Amendments (P.L. 93–28). The Congress could see the energy shortages and fuel allocation problems coming, and so they gave our unwilling President the atuhority to deal with the problem and pleaded with him time and again to use it.

President Nixon did hardly anything with this authority. In May he announced the implementation of a voluntary fuel allocation program to distribute scarce fuel supplies. But the disastrous failure of the voluntary program was aptly demonstrated last summer when over 2,000 independent gasoline service stations were forced to close their doors from lack of supply. Moreover, the errors of the voluntary program were exacerbated by the Administration's Cost of Living Council, which brought about the closing of more gas stations and near rebellion among service station owners this fall.

The Administration's voluntary scheme for resolving last summer's gasoline shortages resulted in disaster, while the Congress pointed time and again to the real solution, asking the President to use the power it had given him to establish mandatory allocation programs, to provide an equitable distribution of available supplies. Typically, the response of the Nixon Administration was inaction.

After it had become clear that the President would not take meaningful action, the Congress began last June to consider legislation to force the President to act. The Administration asked the Congress to delay this legislation, promising to deliver its own bill to the Congress within a week. This promise was not kept.

Shortly thereafter, another person was installed as head of the Administration's energy policy activities—the fourth such individual in four months. Like his predecessor, this man promised to deliver an Administration plan for mandatory fuel allocation to the Congress. That plan was never delivered.

It is a sad commentary on the Administration's lack of basic honesty that this person, who himself asked the Congres to delay action on its energy legislation, has now joined in the Administration's well-orchestrated attempts to blame Congress for delaying action.

At long last, well past the eleventh hour, the Administration has implemented a mandatory allocation program for propane and middle distillates—and they are implementing the program badly. Typical of the Administration's errors is its failure to provide the proper administrative framework for the program. The middle distillates program (home heating and diesel oils) has been so badly handled that governors from around the country—who are desperately concerned about solving the energy shortages in their states—have actually had to write to ask the Administration to withdraw the program for a month and then to try again to implement it properly.

It seems that the Administration began the program without first writing the necessary forms or obtaining staff to handle the program: for example, there are only two people in the Office of Oil and Gas in one major West Coast city to handle literally thousands of inquiries as to how the allocation program is to be carried out.

Among the distributors and the States, who are supposed to carry out the program, no one really knows how it should operate and confusion reigns. This has occurred because the program was implemented with so little planning and forethought. The Administration was caught totally unprepared, revealing once again their lack of adequate policy planning.

However, even if it had been administered properly bureaucratically, the Administration's program would still have fallen far short of what is needed because they have failed until just recently, at the end of November, to try to introduce any system

of priorities for allocating fuel among various kinds of users. Under the system originally imposed by the President, merry-go-rounds and pleasure boats got the same priority for oil as hospitals, schools and public utilities. Unbelievably, the Administration waited until the end of November, when freezing weather had already struck many parts of the Nation, to provide special fuel allocations to such industries as the coal mining industry, which desperately needs increased fuel supplies in order to mine the coal to make up for the missing oil.

By now, however, the priority system may not matter anyway. The Administration has dragged its feet so long that it is almost too late to make meaningful home heating oil allocations before winter sets in. And, even more incomprehensible is the fact that the Administration has failed—even at this late date—to provide mandatory allocation of residual oil, which fuels heavy industry. Thus, even though the shortage of residual oil may reach 37 percent nationwide according to the Administration's own advisory council, President Nixon still has not faced up to the need for mandatory allocation of all oil products. Shortages of residual oil on the East Coast may come close to the 50 percent level, forcing drastic curtailment of production and consequent declines in employment. The President has had authority to impose a mandatory control program on residual oil for a very long time, but even now he still refuses to use it and so the Congress is preparing legislation to force him to take this obviously essential step.

Federal energy conservation

The President ordered reduction in the Federal government's consumption of energy, which is all to the good. The President has not been alone, however, in his concern about Federal government energy conservation. For example, earlier this year, the Congress passed an amendment to the Department of Defense Appropriation Act stating the sense of the Congress "that prompt effective action be taken by the Department of Defense to conserve important petroleum resources" and directing the Secretary to initiate conservation measures not incompatible with national defense. The 7 percent reduction in the Federal government's consumption of energy which President Nixon has just ordered follows the pattern set by Congress.

The most notable fact about all the above emergency actions taken by the President is that they represent a terribly belated and inadequate effort by the Administration to come to terms with energy shortages by using legislative authority granted years ago by the Congress in an effort to avert the crisis we now are facing.

President Nixon has implied that he has taken meaningful steps to counteract energy shortages. But he has greatly overstated the possible beneficial effects of his program and has thus misled the American people concerning the possibility of readily solving our energy supply problems. In reality, the President's actions constitute far too little effort at this late date.

Furthermore, the President has implied that it is he who is leading in the fight to conserve energy when, in fact, the Congress has in every instance preceded the President in acting to control and conserve energy usage by granting the Executive branch the required authorities—authorities which the President has steadfastly refused, and is still refusing, to utilize.

The Congress has actually found it necessary to prepare remedial legislation to force the President to deal with the energy crisis, such as the legislation forcing the President to institute a mandatory allocation system.

III. THE NIXON RECORD ON ENERGY MATTERS—EMERGENCY LEGISLATIVE PROPOSALS

I believe I have dealt adequately with the misimpressions created by the President concerning the meaningfulness of his emergency actions taken early in November. But what of the future, what of President Nixon's new emergency legislative program unveiled before the American public on national television?

The really new legislative ideas, as the President himself was practically forced to admit, are coming out of the Congress.

There was not a single Administration item in the emergency package. Every single proposal mentioned by President Nixon as part of "his" program was contained in energy bills introduced months ago and already well along in the Congress—energy conservation bills which the Administration has been opposing and delaying.

The Administration's about-face on this matter is really quite incredible—from opposing and delaying energy conservation measures which the Congress has fashioned to claiming these Congressional bills as the President's own program, and criticizing the Congress for acting too slowly on the same Congressional bills they have been opposing. All this in a matter of weeks.

President Nixon, in his November address, made several references to his energy messages and to his desire that Congress act quickly on emergency legislation designed to counteract the energy crisis.

The implication of the President's remarks was that the Congress has been dragging its feet while the President is in a hurry to implement emergency legislation. Nothing could be farther from the truth.

Once again, the President has attempted to convey a misleading impression to the American people.

The President had no program for emergency legislation. Virtually all the preparatory work for meeting the energy crisis was done in the Congress, not the Executive branch. Every emergency program mentioned by the President originated in the Congress and had never been mentioned prior to this time by the President in any of his energy messages.

Tapping of the Naval petroleum reserves was never mentioned by the President prior to early November as a possible solution, in the short term, to our energy crisis. This authority was, however, contained in major Congressional energy initiatives, in case dire emergency should force this last-resort action.

Reducing speed limits on Federal highways to conserve gasoline had never been mentioned by President Nixon prior to his November address, but such legislation was passed by the Senate last June.

President Nixon has never in his energy messages, or elsewhere, mentioned returning to daylight saving time on a year-round basis until his "request" for this authority from the Congress. Major Congressional legislation, prepared long before the President spoke, however, already included this provision which, it is estimated, will bring a 3% savings in fuel consumption.

General energy conservation measures, such as restrictions on working hours, had never been mentioned by the President in any of his energy addresses. Congressional legislation, on the other hand, already included these provisions and the Congress was preparing to force them on a President who had been totally unwilling to implement broad energy control measures.

Standby rationing authority is one of the measures which President Nixon stated that "it is imperative" that he receive before the Congress recesses. Congressional legislation, however, already contained rationing authority, and the Congress was preparing to force this authority on a President who, thus far, had been unwilling to implement even the mandatory allocation authority which had been granted to him years ago and strengthened last spring.

President Nixon requested authority to regulate schedules of trains, ships, and other carriers, including speed limits, in order to economize on fuel consumption. This was the first the Congress had ever heard of the President's interest in such measures. Major Congressional legislation, however, had already been prepared, providing the required authority.

Thus, without exception, the emergency authorities which President Nixon "requested" from the Congress in early November were in fact authorities which a determined Congress was about to thrust upon him. The President's "emergency energy conservation" program did not exist. It was simply a compilation of legislation already pending in the Congress—legislation which the Congress was about to pass and to force upon a President who had been reluctant to use even the authorities which he already had.

IV. THE NIXON RECORD ON ENERGY MATTERS—HIS ORIGINAL LEGISLATIVE PROGRAM

As for the President's seven-item legislative request last spring, concerning which the President criticized the Congress in his November address, this program is simply inconsequential in relation to the energy needs of the Nation over the coming decades.

The President attempted to convey to the American people the impression that the Congress, by not passing the requested legislation, was delaying the Nation's long-term energy development. In fact, however, the seven pieces of "major legislation" which the President criticized the Congress for not passing are practically a joke in terms of solving our real long term energy needs.

The Santa Barbara Channel legislation permits the Federal government to repurchase 35 oil leases in the Santa Barbara Channel and compensates for this by opening drilling on certain public lands. This is hardly a "major" piece of energy development legislation; and furthermore, the Administration apparently is about to change course and request reopening of drilling after all in the Santa Barbara Channel—the site of the disastrous 1969 oil spill.

Furthermore, the opening for commercial production of the Elk Hills, California, Naval Oil Reserve and other Naval Reserves is fraught with danger for the security of the United States.

These Reserves were created for a purpose—to provide a sure supply of oil for use in the defense of our Nation.

Only as a last resort should these Reserves be tapped—not frivolously by a President who does not believe we have a severe energy shortage, who is still unwilling to use his full petroleum allocation authority, and who is not yet willing to admit that more than "stand-by" consumer gasoline rationing authority is needed.

If we have, indeed, come to our last resort, then let the President so acknowledge by taking the kind of stringent conservation measures the situation calls for—and acknowledge also his responsibility for placing our Nation in a bind in which we sacrifice either our energy production and our standard of living, by not using oil from the Naval Reserves—or we dip into the Naval Reserves and sacrifice the future security of our Nation.

We have a President who seems constantly to present us with two bad alternatives and no good choices.

For my own part, I find it very strange policy indeed to propose that the civilian economy draw on the military reserves in the same week that the Pentagon has begun commandeering civilian oil supplies under the the Defense Production Act because the military is running out of fuel.

The Electric Facilities Siting Act deals, not very well, with a small and possibly unresolvable problem which the AEC has already taken independent steps to deal with. The bill is drafted so badly that even the power

companies, who it is supposed to help, opposed it. It does not have a chance of going anywhere in the form in which the Administration submitted it. Only a great deal of effort by the Congress could possibly put this bill into workable shape.

The *Mined Areas Protection Act* is the Administration's strip-mining bill and is widely viewed as a "sell-out." The bill would allow strip-mining to go unregulated for several years. Its provisions are weak and nonspecific, and even the Administration's own Environmental Protection Agency opposed the bill. Much better legislation has been prepared by the Congress and has already passed one body.

The *Mineral Leasing Act Amendments* and *Bureau of Land Management Organic Act*—the Alaska Pipeline bill has been enacted, and in much better form than the Nixon version. Even so, it will be years before this measure can bring some limited relief to our energy supply problems.

Furthermore, when the Congress enacted this legislation, it added vitally needed provisions to aid small businesses and consumers—causing the Office of Management and Budget, and the President, to threaten veto of the bill.

The *Deepwater Port Facilities Act* is another measure which is years away from having any impact on our very immediate and urgent energy supply problems. Deepwater ports are controversial; they certainly won't contribute to American energy "self-sufficiency"; and these ports take years to construct.

To call for emergency energy crisis legislation for deepwater ports at this particular time is rather like asking for emergency legislation to build a bucket for a dry well.

The *Natural Gas Supply Act* would remove all regulation from well-head prices. This is a controversial issue and, most importantly, increasing gas prices will not increase our in-ground energy reserves, and this is our real long-term problem.

In short, these seven pieces of "major legislation" which the President criticized the Congress for not passing are for the most part insignificant or so bad that they should not pass. All these bills are inconsequential for the short term. The only meaningful bills for the long term were the Alaska Pipeline and Deepwater Ports. The Pipeline bill has been enacted, and Deepwater Ports legislation is well along. Both bills originated in Congress, and neither bill began with a Presidential initiative. Unfortunately, neither bill can make substantial contributions to our energy supply situation in the near term.

V. THE NIXON RECORD ON ENERGY MATTERS—POLICIES CONTRIBUTING TO CURRENT SHORTAGES

The Nixon Administration's failures in dealing with energy problems are not limited to the lack of adequate plans to deal with the shortages which are now upon us.

In fact, the President's policies of years past have in large measure actually created the grave difficulties in which our Nation has been placed.

Probably the outstanding example of bad Administration policies lies in its handling of the oil import control program. This program, which discouraged entry of foreign oil, resulted in artificially high prices for domestic oil and a consequent unnecessarily heavy drawing on our domestic oil reserves.

In 1970—three years ago—President Nixon's own blue-ribbon Cabinet-level Task Force recommended abolishing the oil import quotas. The Task Force, like Members of the Congress, could see the energy shortage coming and the damage the import quotas were doing in America.

But—incredible as it is—only this year, in the face of tremendous pressure, did the Administration finally dump the import control program—a program which has made us use up our domestic oil reserves much faster than we otherwise would have and which has discouraged us from building the refinery capacity which could have helped us avoid last winter's oil shortage and this summer's gasoline shortage.

Some statistics here will help show how long the Administration remained unwilling to deal realistically in the interests of the Nation with growing energy shortages.

By 1972, several years after shortages had become apparent, the Administration was finally willing to admit that petroleum scarcities were occurring, and so the President authorized entry of another 230,000 barrels of oil per day.

By this time, even the oil companies, and especially independent refiners and distributors, were pleading with the Administration to discard the import control program and for an increase in supplies.

The Administration, however, remained unwilling to abandon the import control program: by the end of August, 1972—about a year ago and two years after the Task Force report—the official Administration position, as expressed by the Interior Department, was that no real shortage existed and that not more than an additional 50,000 barrels of oil should be allowed to be imported. This position is almost unbelievable in view of the fact that by this time distillate stocks had dropped to 25% below the 1971 level. Yet the Administration still hung on to the import control program.

By January, 1973, the Administration had had to increase oil imports by 915,000 barrels per day over the 1972 level—a tacit admission of the total inaccuracy of its earlier position. Stocks were still in terribly depleted condition, but despite this fact, not one single refiner was granted additional imports as large as had been requested. Refineries were running well below capacity, and no oil was available because the Administration would not allow more to enter the country.

Last spring, the Administration finally discontinued the oil import control program and now, less than a year after belatedly dropping the import control program, the Administration tells us that we will be between 20 and 30 percent short of needed petroleum supplies by next spring.

Even the major oil companies were finally urging the Administration to end the import control program before the President finally dumped it, not in 1970 or 1971, when it might have done some good, but in 1973 when the shortages were already upon us and we had become terribly vulnerable to oil cut-offs such as we now face.

Far from planning rationally for future scarcities, the Nixon Administration has, through deliberate policy, placed our Nation in its present dangerous situation.

The Administration's handling of the import control program not only kept badly needed oil out of the country, but also had the secondary effect of preventing construction of needed refineries in the United States.

The oil industry knew that the import control program could not last much longer, and refiners preferred to wait for government action on long range policies concerning distillate and heavy fuel oils before making commitments to building new refineries. Needless to say, real long-range policies never materialized in the Nixon Administratioin.

Continuation of the import control program long past its useful life would alone have resulted in serious energy shortages in the United States this winter, Arab embargo or not. But the Administration exacerbated the shortages of petroleum products by mishandling the price control program under the Economic Stabilization Act.

The August, 1971, price freeze set gasoline prices at seasonal highs and heating oil prices at off-season lows. This resulted in refiners converting a maximum percentage of the limited crude oil imports they were able to obtain into gasoline rather than into fuel oil. This was a major factor in causing the alarming low fuel oil stocks of the summer of 1972.

There can be little doubt but that the Nixon Administration, through its unwise continuation of the import control program and handling of price control authority has contributed substantially to creating our present energy shortages.

VI. THE NIXON RECORD ON ENERGY MATTERS—RESEARCH AND DEVELOPMENT

Unfortunately, the Administration's record on energy research and development is no more impressive than its handling of the import program and price controls.

After a very heavy prodding from Congress, President Nixon finally publicly adopted a research and development program about half the size of that proposed by Congressional leaders. The Nixon initiative—announced with much fanfare—was to be a five-year $10 billion research and development program.

Unfortunately, the President's statements about his program were very misleading. It has become apparent that fully two-thirds of the funds for the "new" program are funds already budgeted. Only about one-third, $3.5 billion, is new money, and the rest is simply a result of reshuffling existing budget titles to place activities only vaguely connected with energy research and development under this heading.

This Nixon program is not slated to take effect until fiscal year 1975—when we are suffering severe energy shortages now—and most of the research and development money is slated for the breeder reactor, a program that may help us by 1990, but certainly not before that time.

Furthermore, the breeder reactor is a classic case of putting all the eggs in one basket—nowhere in the President's program are there sufficient funds for coal gasification and liquefaction programs which we need now, which we can count on to help us solve our pressing energy supply problems from now until the breeder reactor could be available.

The way the President plans to use the totally inadequate $700 million per year in new money will not give our Nation anything like self-sufficiency in the years ahead.

But then, we cannot be certain that President Nixon is really asking for $700 million annually in new money. Following the June 29th announcement of the President's so-called "$10 billion dollar" program, he actually asked for an additional $115 million for fiscal year 1974. And, in his October 11th message, the President did not mention that $60 million of this $115 million dollar amount had already been appropriated by Congress, so the new "$10 billion dollar" program really amounts to $55 million in hard cash this year—an inconsequential change in budget priorities by Federal standards, and a meaningless amount in terms of the cost of meaningful energy research and development.

Indicative of the Administration's real position on energy research and development is the fact that, on the very night the President spoke, none of the Congressionally appropriated funds—which were in excess of the President's original budget request—had been released for agency use.

The President's claims to the Nation regarding his efforts to solve the energy crisis have misled the American people at a time when it is terribly important that they be told the truth. In truth, the President has no real program with which to face our energy crisis. The Administration's fourth so-called energy research and development program, mistitled "Project Independence," exists largely on paper.

A program does exist, fashioned by the Congress against the will of a reluctant President. But the Administration appears to lack the leadership needed to carry the program out successfully.

VII. THE RECORD OF THE CONGRESS ON ENERGY MATTERS

I believe that a more realistic assessment of the Congress's and the President's efforts to solve the energy crisis can be obtained from actual records, rather than from Administration speeches. For example:

More than $20 million in energy research and development money from Public Works-Atomic Energy Commission appropriations has been impounded by the President's Office of Management and Budget. This includes funds for geothermal, solar, gas, and nuclear power research.

Congress appropriated $23 million more than the President's budget requested for coal gasification and liquefaction.

The President's budget requested $4 million for geothermal research. Congress appropriated $11 million, so OMB impounded $7 million in funds for this promising energy research program, again impounding funds badly needed for energy research and development.

The Office of Management and Budget is blocking construction of $4 million dollars in power units on the Columbia River—where jobs are now being lost because of insufficient energy supplies. The Bonneville Power Administration had testified in previous years that a power deficiency in the area was imminent, and Congress had set the target date for operation of the power units at 1975. However, because of Administration impoundments, the date has slipped back to 1981.

If the past is prelude to the future, as I believe that it is, Congress will continue to appropriate funds badly needed for energy research, and the President will continue to refuse to spend them, while simultaneously announcing grandiose plans for meeting impossible goals.

Thus we should not be too surprised if in the near future we hear about Congressional battles with the Administration over freeing impounded energy research and development funds while the President is telling the American people that his $10 billion paper program—really largely a reshuffling of existing energy funds—is going to meet the almost impossible goal of freeing America of dependence on foreign energy sources within the next six years.

If America had to wait for President Nixon, his energy advisers, and his Office of Management and Budget, there would be no progress at all on the energy front. Fortunately, however, the Congress has been very active on energy problems:

While President Nixon used the import control program to prevent oil from entering the country and thus prevented a build up in our danegrously low fuel stocks, Congress has been holding hearings and reporting thoughtful legislation to improve our position in nearly every area of energy supply policy.

The Congress granted authority to the President for the emergency actions he belatedly took several years prior to the President's using these authorities.

The "emergency legislation" which the President has now belatedly requested is in fact merely an echo of legislation fashioned carefully by the Congress over the last year.

The Congress has consistently appropriated more energy research and development funds than the President has been willing to spend. As recently as last summer, two Cabinet Secretaries testified before Congress in opposition to the Congress' plans for a large-scale energy research and development program.

In the last few weeks alone, both the Wall Street Journal and the Oil and Gas Journal—the Bible of the energy industry—have carried articles acknowledging how the Congress has seized the lead on energy supply problems after the Nixon Administration proved incapable of supplying the leadership the Nation needs. As the Oil and Gas Journal stated, just before the President's most recent energy message, October 29, 1973,

"The Nixon Administration is losing to Congress the initiative on energy policy. This is especially true of emergency measures. . . . initially the White House was reluctant to use the authority to allocate oil granted in the Economic Stabilization Act. Now, the President is at the point of getting mandatory allocation across the board shoved down his throat by Congress. . . ."

Twenty-eight committees of Congress have held more than 500 days of hearings on energy issues this year. More than 700-energy-related bills have been introduced and many of these have been, or soon will be, enacted. Each will make a contribution to relieving America's energy shortage. Both Democrats and Republicans in Congress have been working on energy problems, after becoming concerned about the Administration's obvious lack of leadership and incapacity in this area.

There follows a table showing major energy legislation receiving Congressional action this year alone:

ENERGY LEGISLATION RECEIVING ACTION IN THE 93D CONGRESS

Bill	House report	Date passed	Senate report	Date passed	Public Law
S. 70—Council on Energy Policy			93-114	May 10, 1973	
S. 268—National Land Use Policy			93-197	June 21, 1973	
S. 394—Rural Electrification Act	(H.R. 5683) 93-92	Apr. 4, 1973	93-20	Feb. 21, 1973	93-32
S. 398—Economic Stabilization Act Amendments of 1970	(H.R. 6168) 93-114	Apr. 16, 1973	93-63	Mar. 20, 1973	93-28
S. 425—Regulation of Surface Mining			93-402	Oct. 9, 1973	
S. 1081—Rights-of-Way Across Federal Lands (Alaska Pipeline)	(H.R. 9130) 93-414	Aug. 2, 1973	93-207	July 17, 1973	93-153
S. 1501—Water Resources Planning Act, Authorizations	(H.R. 6338) 93-266	June 19, 1973	93-174	May 30, 1973	93-55
S. 1570—Emergency Petroleum Allocation Act of 1973	(H.R. 9681) 93-531	Oct. 17, 1973	93-159	June 5, 1973	93-
S. 1828—Mining Enforcement and Safety Administration, Confirmation of Head			93-340	July 25, 1973	
S. 1993—EURATOM Cooperation Act	(H.R. 8867) 93-385	July 30, 1973	93-341	July 26, 1973	93-88
S. 1994—AEC Authorization	93-280 (H.R. 8662)	June 25, 1973	93-224	June 25, 1973	93-60
S. 2176—Energy Conservation			93-409		
H.R. 5441—Oil Pollution Act, amendment	93-137	May 8, 1973	93-405	Sept. 24, 1973	93-119
H.R. 5777—Hobby Protection Act	93-159	May 16, 1973	93-345 (S. 1880)	Aug. 2, 1973	
H.R. 8917—Interior Appropriations	93-322	June 27, 1973	93-632	Aug. 1, 1973	93-120
H.R. 8947—Public Works, AEC Appropriations	93-327	June 28, 1973	93-338	July 23, 1973	93-97

While the Congress has been moving forward steadily on energy legislation, the Nixon Administration has been opposing measures which would help alleviate shortages.

For example, President Nixon has threatened to veto the Congress' Mass Transit bill—one of the most obvious and best solutions for getting the gas-guzzling cars off the road. More than 20 million Americans use mass transit facilities every day, and the possibility of massively increasing this number by making mass transit more flexible, efficient, comfortable, reliable and safe, offers one of our Nation's best hopes for reducing our Nation's energy consumption.

Unfortunately, President Nixon is apparently planning to veto this legislation.

When the Congress has passed sound policies in the energy field, the Nixon Administration has implemented them badly, for example, the mandatory fuel allocation provisions.

As another example, the Congress passed the Geothermal Steam Act in 1970, which provided for leasing geothermal resources on Federal lands. It has taken the Administration three years to come up with a program to tap this valuable and promising energy resource. Meanwhile, final regulations have not yet been issued, and the Nation is denied the use of this source of energy by Administration delays and incompetence.

President Nixon has tried to shift the responsibility for our energy supply problems anywhere he could—to the Congress, to our rising standard of living, and to international events. But the purpose of government is to anticipate and avert problems, not to shift the blame for failure. The Congress has been at work on energy problems and is well ahead of the President. The Administration's wrong-headed policies with regard to oil import controls, mishandling of price control authority, confused and disjointed leadership, failure to create energy reserves and contingency plans in the face of obvious political instability in the Middle East, and general lack of foresight and careful planning have been the primary factors in creating the difficult situation in which our Nation now finds itself.

Most Americans know these facts—and those who do not will soon come to realize them when they are huddled around the fireplace trying to keep warm because there is no heating oil. The Administration has endangered the safety and future of America through its five years of non-policy and bad policy in the energy area, and the Nation is going to pay a high price for Administration failures.

The President spoke in his most recent energy message of the lessons that could be learned from the State of Oregon, where public cooperation has resulted in an 8% reduction in fuel consumption. The President, however, failed to point out the other lesson which we can learn from Oregon—that shortages in power have already caused the dismissal of almost 1500 workers in the soft metals industry; that lack of natural and propane gas is threatening to close down sawmills employing about 4,000 workers; and that imminent closing of an aluminum plant threatens another 600 jobs. And still another lesson can be learned from Oregon: President Nixon's Administration is even now delaying funds for completion of the Columbia River Power System, as factories close down and workers are laid off.

The American people are now being asked to pay with their patriotism the price exacted by the misguided policies and negligence of the Nixon Administration—and pay we will, with our comfort, our standard of living, our jobs, and our futures.

The American people will pay for the incompetence of the Nixon Administration but they will not forget it—because every cold winter day will be a reminder of the Administration's errors.

VIII. THE NEED FOR GOVERNMENT COOPERATION AND HONESTY IN DEALING WITH THE ENERGY CRISIS

Even now, as President Nixon speaks of "no real suffering" for any American because

of the energy shortages his Administration has permitted and fostered, one of his most respected Cabinet members—somewhat more realistic than the President—is speaking of "potential plant shutdowns and massive employee layoffs."

The energy crisis is upon us, and still the Administration continues to speak with many confused voices—some saying there will be rationing, others saying there will not; some saying there will be high unemployment and others saying there will be little economic effect.

At a time such as this, it is more important than ever that the American people understand both the severity of the energy crisis and the fact that their Congress is hard at work on legislation which will help pull us out of this crisis.

There is also a need for cooperation among the branches of government during time of crisis. The Congress will work cooperatively with the President in solving our energy problems—if this is possible.

However, if forced by the President into choosing between being honest with the people and cooperating with the Administration, the Congress must of necessity choose to maintain faith with the people.

This choice is, in fact, the decision which the Congress now confronts. We must choose between cooperating with an Administration which is intent on deceiving the American people with regard to both the severity and the causes of our energy shortages, and being honest with the people by telling them that we are living on borrowed time, on our reserves, and that far more stringent allocation, rationing, and conservation measures are our only hope of riding out the difficult winter just ahead and the difficult years which will follow.

Cooperation at a time of crisis is essential. But it is very difficult indeed to cooperate with an Administration which is promising pie-in-the-sky "self-sufficiency in six years" while it impounds energy research and development money. Despite Administration rhetoric, the last of the tankers from the Middle-East are about to enter our ports, and we must sharply curtail our luxuries now, immediately, or we will find ourselves without essentials in the very near future, perhaps as early as January.

It will also be difficult for the Congress to cooperate with the President because we will have to try to look past the bitterness he is engendering when he attempts to rewrite the history of the energy crisis, so as to make it appear that the Congress is responsible for our energy shortages when, in reality, the burden of responsibility for negligence and lack of foresight truly lies far more heavily on the Administration.

If a nation engages in fantasy, reality will crush it. And right now, the Nixon Administration is engaging in a number of fantasies: that across-the-board fuel allocation and stringent rationing are not necessary; that we can draw on the Naval Petroleum Reserves with impunity, without endangering our future security; that the Administration has things under control and is doing enough to head off massive economic breakdown next spring; and that the Congress, and not the Administration, is responsible for the long history of mismanagement and neglect in which the energy crisis has its origins.

The trouble with trying to rewrite history to suit your short-term political advantage is that, in the long run, it doesn't work. History catches up with you and, if your story was wrong, you pay the price.

This is why the Congress cannot permit the Administration to write instant history now concerning the origins of the energy crisis.

The Administration's story on the energy crisis is wrong and, if it goes unchallenged, history will catch up with America just as surely as it is now catching up with the Nixon Administration.

THE 55TH ANNIVERSARY OF LATVIAN INDEPENDENCE

The SPEAKER pro tempore (Mr. MAZZOLI). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 30 minutes.

Mr. DERWINSKI. Mr. Speaker, may I direct to the attention of House Members the fact that on November 18, the Latvian people celebrated the 55th anniversary of their Independence Day. Because the House was not in session on that day, I wish to take this time to commemorate this historic occasion. This great event was celebrated only in the free world areas with an unfortunate feeling of sadness, as Latvian emigrees throughout the world keeping alive the historic nature of the occasion, could not truly be commemorated.

The people of Latvia itself are not permitted to celebrate their true independence day which, by the way, was achieved at the expense of the original Russian Communist Government.

It is necessary to remind the Members that the Soviet Union continues to suppress the nationalistic spirit of non-Russian Republics within the U.S.S.R. The Soviet Union, in its deliberate policy to eliminate the theorical independence of various Soviet Socialist Republics, is expanding regional governmental structures in an effort to blot out historic national lines. The Latvian people as well as Lithuanians and Estonians are being deliberately scattered about the Soviet Union in order to lessen their nationalistic effectiveness.

I earnestly appeal to all Americans of Latvian origin and to Latvian emigree groups throughout the free world to maintain their spirit and determination to work for the restoration of freedom to their homeland. The most important point to emphasize is that freedom will not be achieved for Latvia or any other captive nation of communism if the Western World adopts a policy of coexistence with the Soviet Union.

The brave people of Latvia suffered under centuries of czarist tyranny and were rapidly developing their little nation when treacherously engulfed by the Soviet Armed Forces in June of 1940.

Justice will certainly triumph. In commemorating the 55th anniversary of Latvian independence, we look forward to the ultimate restoration of freedom to that brave little nation, when its people will once again control their own democratic form of government and regain their freedom from the Russian-imposed Communist rule.

Mr. Speaker, I insert at the conclusion of my remarks an article in the October 1973, Latvian Information Bulletin which tells the story of the persecution of Latvians within the U.S.S.R.:

A LATVIAN COUPLE CHALLENGES SOVIET DENIAL OF EMIGRATION

On January 17, 1973, Daniel Bruveris, 28, a citizen of Latvia, was married in Riga to Rudite Klavins, 22, a West German citizen of Latvian descent who was on a tourist visit to Latvia at that time. Being both of Baptist faith, they were married in the Riga St. Mathews Baptist Church, where Bruveris was employed as organist. Their marriage was also recorded in the registry office of Riga. Mr. Bruveris' subsequent application for a exit visa to join his wife, who had returned to Germany, was consistently turned down by the Soviet authorities in Latvia and the Soviet Embassy in Bonn. In July, as a last resort, Bruveris went on a hunger strike, which he continued for thirty days, visibly losing strength. Meanwhile, Mrs. Bruveris demonstrated each day in front of the Soviet Embassy in Bonn. There were also demonstrations by supporters of the Bruveris' in other European capitals. The Soviets finally tried to counteract unfavorable publicity by offering Mrs. Bruveris a return visa allowing her to live with her husband in Riga for three months. But the indomitable couple rejected this "kind" offer in the spirit of Patrick Henry's famous slogan: "Give me liberty, or give me death." And they won in the long run, with Bruveris being "expelled" from Soviet Latvia for behavior unbecoming a Soviet citizen. On September 10 the happy "outcast" arrived in Frankfurt where he was met by his wife. His possessions at arrival consisted of the clothes on his back, and his belief in God. However, being an organist and piano tuner, he expects to have no difficulty in finding employment in Germany.

The ordeal of this couple, who wanted only to be reunited in freedom, found a sympathetic echo in the free world's press, including the United States. The Washington Star-News of September 4 carried a column by William F. Buckley, the first part of which says:

"A letter from Tom Curtis, talented cartoonist for the Milwaukee Sentinel, enclosing a letter from a correspondent in Latvia. Yes, Latvia. When Vishinsky came to the United Nations as the first ambassador of the Soviet Union, he was met by the press on landing and asked if this was the first time he had been abroad, and he replied with a macabre joke. Yes, he said, in a way it was his first time, because the other first time didn't really count. He had gone as emissary of the Soviet Union to Latvia. 'But when I woke up the next morning, I was back in Russia!' This was shorthand for telling the reporters that during the night, Vishinsky had organized a coup, and from that moment on, Latvia became another of the Soviet Union's vast colonies.

"And, accordingy, Latvia endures a share of Soviet barbarism. One learns of a young man, an organist at the Baptist church at Riga. Danier Bruveris married a student at Heidelberg, Germany, after having received permission to do so from the authorities. Now the Latvian government refuses him permission to emigrate. Young Bruveris has begun a hunger strike. The correspondent writes that Americans should be made aware that the persecution in Russia is not only directed against members of the Jewish faith. Attention Sen. Jackson."

Mr. CRANE. Mr. Speaker, the Latvian people commemorated the 55th anniversary of the proclamation of their independence on November 18.

Thirty-three years ago the Soviet Union, through the use of force, took control of the Baltic States of Latvia, Estonia, and Lithuania. The independence of Latvia was short lived.

At this time when there is much discussion of "détente" it is easy to overlook the Soviet record of repression in the Baltic States. We engage in such fantasizing at great peril to ourselves, as well as to human decency. No peace which is lasting can ever be achieved by turning our backs upon history and its lessons.

Since June 15, 1940, the Baltic nations have lost more than one-fourth of their combined populations to the ethnically genocidal deportation and resettlement programs of the Soviet Union. These programs continue today. Despite this fact, a world which condemns gen-

ocide in Biafra and in Bangladesh, and which regularly criticizes the policies concerning different racial and ethnic groups of nations such as Portugal and South Africa, remains strangely silent concerning genocide in the Baltic States.

The U.S. Government has never recognized the forced incorporation of Latvia and the other Baltic States into the Soviet Union. If we are to be true to our own principles, we must insist that the Soviet Union, which is a signatory of the United Nations Declaration of Human Rights, grants these rights to the people of Latvia and the other Baltic nations. These include the rights of assembly, free elections, and freedom of worship. They also include the right to move freely over the borders for emigration and visiting purposes.

At this time, as we celebrate the 55th anniversary of the independence of Latvia, and as we consider the manner in which that independence was stifled, it is important to remember that the nation which calls itself the U.S.S.R. is really a collection of "captive nations."

We often forget that Armenia fell to Communist domination in 1920, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, and the Ukraine in the same year. The Far Eastern Republic fell in 1922, the Mongolian People's Republic in 1924, Estonia, Latvia, and Lithuania in 1940.

In all of the years since 1940, the hope for independence and freedom has never died in Latvia. It is alive today, and needs only encouragement from those of us in the free world who still maintain a dedication to freedom, and who are not persuaded by the soft words of "détente" that the people of Latvia and the other captive nations really enjoy their slavery.

For many years, the United States has been a beacon of hope to the millions of men and women living under Soviet subjugation and hoping for their freedom and independence. We must keep faith with these men and women, and the occasion of the 55th anniversary of Latvian independence provides us with an opportunity to reaffirm that faith.

The people of Latvia only seek for themselves what we have sought for ourselves—freedom, independence, and the right to determine their own future. Any "peace" which is achieved, and which does not guarantee those rights, will be of little value. At this time, the people of Latvia should know that we stand with them, and their rulers in Moscow should know that our commitment to freedom and self-determination is as strong as it ever was.

Mr. BIAGGI. Mr. Speaker, on November 18, millions of Latvians in America and throughout the world celebrated the 55th anniversary of their proclamation of independence. Yet as it has been for the last 33 years, this celebration has been tempered by the continued domination of Latvia by the Soviet Union, who ruthlessly imposed their rule on Latvia in 1940.

As the nation of Latvia enters its 33d year under Russian rule, the conditions under which her citizens are forced to live remains cruel and inhumane. The Russian domination and control of the Latvian people has been marked by terrorism, expropriation, exploitation and complete suppression of basic human rights and fundamental freedoms. Yet throughout the long suffering years, the Latvian people remain dedicated to the cause of the restoration of their freedom.

This mixed event for the Latvian people is observed against a background of vastly improved relations between the Soviet Union and the United States. Yet as grateful as we are for the emergence of a new era of "détente," we must maintain our insistence that the Soviets begin to respect the right of self-determination not only for the nation of Latvia, but for all the nations of Eastern Europe who remain under the oppressive yoke of Russian domination.

On this day of mixed sentiments, let us in the United States hear the pleas of the Latvian people for our assistance in their struggle to restore their freedom and resume a life of liberty and dignity. Détente with the Soviet Union can only benefit the world if it is based on the right of self-determination for all nations.

Mr. Speaker, I am honored to join with my colleagues in paying a tribute to the brave and courageous people of Latvia. Let us in the Congress urge the President to work with the Soviet Union to bring about universal respect for the rights and freedoms of all the peoples of the world.

Mr. MORGAN. Mr. Speaker, on November 18 the Latvian people celebrated the 55th anniversary of the proclamation of their independence, and I am pleased to participate in this special order commemorating that event. Unfortunately, freedom was extinguished in 1940, when the defenseless Baltic Republics of Latvia, Lithuania, and Estonia were occupied by Soviet armed forces and forcibly incorporated into the Soviet Union. The United States, in response to this action, formally declared on July 23, 1940 that it did not recognize this subjugation of the Baltic Republics.

I have many Latvian Americans in my congressional district, and they have made major contributions to community life. Their culture, as evidenced by their distinctive art, literature, and dance, is a notable example of the diversity of our great country, in which many nationalities have settled and retained elements of the lifestyle of their homeland.

Thus, it is especially disheartening to observe the discrimination against these proud people in their native country. Membership in the Latvian Lutheran Church has decreased from 1 million prior to Soviet occupation to 0.03 million during the late 1960's, and only 5 of the 259 churches are still used for religious services. Any nationalistic tendencies are promptly suppressed, and Latvians could even become a minority in their own country, because of the influx of Russian workers due to heavy industrialization and the emigration of some Latvians to other parts of the Soviet Union.

Mr. Speaker, our foreign policy seeks to foster détente with the Soviet Union and other countries, and I support these efforts to develop and maintain peace in the world. I can only hope, however, that détente is accompanied by the elimination of discriminatory policies within all nations, so that peoples such as the Latvians are able to partake of their unique religious and cultural heritage with pride and dignity.

Mr. PATTEN. Mr. Speaker, the proclamation of Latvia's independence on November 18, 1918, was this year once again observed in the United States and elsewhere in the free world by descendants of the Baltic countries in solemn gatherings and church services.

Although Latvia lost its independence through foreign aggression in 1940, the Latvian people have made it crystal clear that they will not surrender their feeling of nationhood or their justified aspirations and goals to be able to direct their own lives and futures, and their own thoughts, which we do freely in this Nation. We as free people can only respect and commend this national consciousness and courageousness.

The history of civilization has many instances of man's inhumanity to man and of freedom-loving people struggling against foreign oppressors. This is the situation with the Latvians. Since they cannot openly commemorate the anniversary of their independence, it is up to the people of the free world to remind mankind of the plight and the just cause of the Latvians.

We in the United States respect and support the right of these wonderful people—the Latvians—to a free life and an independent existence.

Mr. SMITH of New York. Mr. Speaker, on November 18, Latvians all over the world observed the 55th anniversary of the declaration of independent Latvia in 1918. Unfortunately, this special day was not observed in Latvia itself. In 1940, the Russians invaded Latvia. Since World War II, Russian imperialism has prevented self-determination in the Baltic countries—Latvia, Lithuania, and Estonia. In our future dealings with the Soviet Union, as we work for world peace, let us not forget that there can be no true peace while some who desire freedom live under oppression. Let us be careful not to allow a compromise of one of our basic principles.

Mr. REUSS. Mr. Speaker, November 18 marked the 55th anniversary of Latvia's proclamation of independence. But the anniversary is a sad one because her freedom was crushed in 1940.

Latvia was devastated by World War I fighting between Russian and German armies. In the following 22 years of her independent existence—established in 1918 by courageous Latvian patriots—Latvia rebuilt her economy, developed considerable foreign trade, and gave her people a degree of freedom and self-determination they had never known before.

Then, in World War II, the battles of Russian and German troops destroyed her economy and peaceful way of life once again. Finally, she was occupied by the Soviet Union.

These long years of suffering have not extinguished the Latvians' yearning for liberty. So while this anniversary is a day of sorrow, let it also be a day for us

to rededicate ourselves to work for the time when Latvians and all other peoples will share the full blessings of freedom.

PEANUT AND RICE CROP PROGRAM CHANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BAKER) is recognized for 20 minutes.

Mr. BAKER. Mr. Speaker, on November 6, 1973, the Subcommittee on Oilseeds and Rice, chaired by my esteemed colleague from North Carolina (Mr. JONES), held hearings on the announced program changes of the Department of Agriculture for peanuts in 1974. Hearings were also held on November 13 regarding the program changes for rice. I commend the gentleman for his willingness and desire to hold hearings on these administrative changes and on legislative proposals regarding peanuts and rice.

Present legislation requires that the Secretary proclaim a national acreage allotment for peanuts of not less than 1,610,000 acres. It also provides that peanuts must be supported at not less than 75 percent of the parity price unless farmers voting in a referendum have disapproved marketing quotas. Farmers have naturally voted to continue marketing quotas under these conditions, and the Government has continued to support production far in excess of our domestic edible needs at unreasonably high prices.

While allotted acreage has remained at the minimum 1,610,000 acres, production per acre has increased from 940 pounds in 1952 to 2,203 pounds in 1972. Since domestic food uses for peanuts have not kept pace with increases in production, the quantity of peanuts diverted through the Commodity Credit Corporation—CCC—has been rising. In 1959, about 123,000 tons of peanuts were diverted at a loss of $11 million. By the 1971 crop, around 589,000 tons—39 percent of the crop—were diverted at a cost of over $97 million. Losses dropped to around $60 million on the 1972 crop, largely because of a world shortage of protein and oils. However, over the long run, unless we can get from under the acreage and price restrictions of present law, the costs of the peanut program will continue to rise.

The General Accounting Office, an arm of the Congress, in its report last April, estimated that CCC's loss on peanuts from 1973 through 1977 will total $537 million or over $100 million a year.

For the 1973 crop, the Department of Agriculture made three administrative changes to cut costs and improve administration. A $50 per ton discount was imposed on peanuts found to have aflatoxin, $15 per ton was deducted from the loan rate to help pay storage, handling, and inspection costs, and the sheller purchase program was eliminated. I am glad, Mr. Speaker, that the Department has found ways to cut costs in these areas, costs which would have been borne by the taxpayers of our Nation.

In addition, for the 1974 crop, the Department has announced more administrative changes to further reduce costs. There will be a complete elimination of price support on peanuts found to contain aflatoxin. Acreage allotment transfers by lease, sale, or by owner privilege will no longer be permitted. Third, there will be an increase of $2 per ton in the storage, handling, and inspection deduction. Also, no tolerance in program compliance determinations relating to measured acreages wil be allowed. The 1974 peanut program provides a new minimum resale level for peanuts diverted by CCC—at 115 percent of the loan rate. This brings peanuts more in line with minimum resale prices of other crops—wheat, corn, and cotton. The transfer of field and supervisory functions from the grower associations to the Department will put a function that is properly governmental back into the hands of the Agriculture Department.

For rice, it is possible that U.S. producers could plant about 2.8 million acres in 1974. If this occurs, we will be faced with a huge oversupply which will result in a tremendous carryover and heavy loan delivery to the CCC. Because of this potential oversupply, the Department of Agriculture has announced changes that would tend to control the production response. For example, allotment holders will be required to plant within their allotted acres to be eligible for loans and delivery of any surplus rice to the CCC. Allotment holders will also be required to be in compliance with the rice acreage allotment for all rice farms in which they have an interest to be eligible for loans and delivery to the CCC. An allotment will be allocated only to a producer providing a production resource.

I believe that both rice and peanut farmers should have the same advantages extended to the wheat, feed grain, and upland cotton farmer. They should be able to make independent judgment decisions as to the commodity they wish to plant to maximize their incomes and earn their proceeds from the marketplace.

SOVIET OIL AND U.S. TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, with the energy shortage in the United States, we should realize that the Soviet Union is facing energy problems. At least one Western analysis forecast the Soviet Union will be a major consumer of Middle East oil by 1980. By 1985 or 1990 due to their own immense reserves the Soviets could reduce their need of Arab oil and become self-sufficient. However, this may not happen as the Soviets export oil to Eastern Europe. This export keeps Eastern Europe dependent on the Soviet Union—a dependency the Soviet Union wishes to maintain. Additionally, the Soviet Union exports oil and gas to Western Europe to earn hard currency. As much as 30 percent of the hard currency they earn may come from such exports.

Two other inhibiting factors in Soviet efforts to increase oil and gas production are the shortage of investment capital and the lack of technology and technological skill. The Soviets seem to have been unable to develop the advanced technology for extraction of their resources. Also, refinery capacity must be greatly expanded to handle any increase in oil production.

We must remember that oil and other energy sources are a vital part of any nation's military capacity. Factories which produce weapons need energy to operate their equipment. The Soviet navy—considered to be the most modern in the world—needs oil to propel its destroyers, submarines, transport ships, and other vessels. Soviet tanks, troop vehicles, armored personnel carriers, and jeeps all need oil—be it engine oil, gasoline, or diesel fuel—to operate. The Soviet Air Force needs jet fuels to keep its Mig's in the air. Obviously petroleum and petroleum products keep a military machine going. Soviet ships transporting weapons of war to Vietnam or the Middle East were able to do so because the Soviets had the petroleum.

Let us briefly look at the history of the Soviet petroleum industry and their development of technology.

By 1900 the Caucasus oilfields of Russia were producing more crude oil than the United States. After the Russian Revolution due to lack of necessary activity, many of the wells became a mixture of oil and water. By 1922, half of the wells of the Baka field—the most important of the Caucasus fields—were idle while the remainder were producing even greater quantities of water.

To solve the problems, Serebrovsky, Chairman of the Soviet petroleum combine, had a solution. He stated:

> . . . American capital is going to support us. The American firm International Barnsdall Corporation has submitted a plan . . . Lack of equipment prevents us from increasing the production of the oil industry by ourselves. The American firm . . . will provide the equipment, start drilling in the oilfields and organize the technical production of oil with deep pumps.

The Barnsdall Corp. did what Serebrovsky said it would. Soviet oil drilling technology changed from labor-intensive methods to the American-developed rotary drilling techniques. Similar advances were made in pumping technology.

Electrification came to these oilfields in the 1920's through Metropolitan-Vickers, Ltd.—United Kingdom—a subsidiary of Westinghouse, and the introduction of General Electric products.

Oil pipelines were built in the 1920's from Western materials and by Western companies. Between the Russian Revolution and 1930 19 refineries and cracking plants were built. One which was built under British technical supervision had some units manufactured in the U.S.S.R.

In the early 1930's the Soviets began building their own refinery equipment from Western designs. Progress was slow and limited. In 1936 American refinery construction companies came back to help the Soviets expand thier refining capacity. Hydrogenation units were built by Universal Oil Products, an American company, to convert gasoline into aviation gasoline. Deliveries of refinery

equipment also were made after agreements were signed in 1945.

The Soviet petroleum and energy industry has been highly dependent on Western technology including American.

On October 2, 1972, the American Communist Party's newspaper Daily World reported that the U.S.S.R. has placed orders and bought oil-extracting and other petroleum industry goods. Discussions have taken place and tentative agreements reached on the United States providing the technology to develop Siberian gas reserves.

A recent United States-Soviet trade conference sponsored by the National Association of Manufacturers included Soviet officials who discussed their desire for resource development, particularly in the oil and natural gas sectors. In these areas, the Soviets are presently placing in the words of the "proceedings" of the conference, "a heavy emphasis on the importation of advanced Western machinery, equipment and technology." Thus, the Soviets still need Western technology for the development of their energy resources.

At a time when refinery capacity should be increased in the United States, at a time when the United States should be involved in serious energy exploration at home, the United States government and American businessmen are helping the Soviets increase their energy industry. Remember it takes petroleum to move a military machine. Trucks, tanks, airplanes and ships all need petroleum.

One of the arguments put forth by the proponents of building Soviet industry with American technology and credits is that the United States can turn to the Soviet Union for importation of petroleum and gas. Occidental Petroleum and El Paso Natural Gas Co. signed a letter of intent with the Soviet government to develop Siberian gas fields. Financial support would have to come from a consortium of American banks plus the backing of the U.S. Export-Import Bank. Once the fields were developed, the United States is supposed to receive gas. The gas would go first by pipeline to the Soviet coast and then by tanker to the American west coast.

Questions have been raised as to the extent and the amount of Soviet reserves. The amount of energy resources that the U.S.S.R. may be able to supply might be limited by growing internal domestic needs and commitments.

One reason not mentioned by many experts stands above all others when speaking of the United States receiving petroleum from the Soviets. The United States right now is suffering from an Arab oil shutoff—an oil shutoff being masterminded by Arab countries previously considered friendly to the United States such as Kuwait and Saudi Arabia. The Soviet Union has never had such a history of friendship with the United States. Soviet aims in the Middle East, Southeast Asia, Cuba, Eastern Europe, and numerous other places on this globe have been directly counter to the interests of the United States. The Soviets understand power and use it. American dependence on the Soviets for energy supplies—be they petroleum or gas—would give the Soviets a very influential lever to use against the United States. If we wish to maintain our freedom and even our national existence, this is a power that we do not want the Soviets to have.

Who would be so foolish to think that the Soviets would treat us any better than the Arabs? Who is so foolish to think that Soviets would not use American dependence on Soviet gas or oil as a weapon—perhaps not today but surely tomorrow—against American interests and even existence.

We must not confuse the U.S. Government with the Soviet Government. The U.S. Government may be unwilling to use trade with the Soviets as a weapon to further American interests but the Soviets have never shown such unwillingness. The kulaks, the Russian Baptists, the Russian Jews, the dissidents have all tasted Soviet power. Poland, Latvia, Estonia, Lithuania, Hungary, Czechoslovakia—to mention a few—also have all felt Soviet power. Let us not confuse our own proclivities with those of the Soviets. The Soviets view our humaneness as weakness; our search for peace as a desire to be manipulated for their own ends; our discussion of building their energy resources as a weapon to be used against us.

Let us begin to look with realism at Soviet needs and desires. Let us not confuse our own wishes with those of the Soviets. And let us not think that the Soviets want to help us out of our energy crisis. They want our help to make themselves an even stronger threat to our liberty, property, and even lives.

THE RIGHT TO BE LET ALONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, Mr. Justice Brandeis, in Olmstead against United States (1928), observed:

> The makers of our Constitution . . . recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men.

When he penned this Olmstead opinion in 1928, 38 years since he had coauthored in 1890 the most definitive piece of scholarship to that date on the principles supporting a claim for a recognition at law of the right to privacy, Mr. Justice Brandeis had seen the widespread use of the telephone and other listening devices come into vogue. He had seen the enactment of a vast Federal income tax—and the filing of the most sensitive of personal financial data with a government agency. He had seen the growth of information exchange systems, however, not yet aided by the invention and use of the computer.

It is little wonder, as he looked to the future, that he warned:

> Experience should teach us to be most on guard to protect liberty when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

Yet, despite these prophetic assertions for vigilance against the growing powers and roles of government, our Nation moves ever closer to policies, programs, and activities which infringe or tend to infringe upon the right to be let alone, the right to privacy.

These infringements are not things which have suddenly come about during this administration or during the past decade. Rather, they have raised their heads in ratios directly proportional to the acceptance of the notion that the interests of government—of society, of the collective will—are paramount to the protection and exercise of individual freedom and personal rights. They have accelerated at a rate equivalent to the decline in the belief in the individual good and worth of man, of free will and its exercise, and of the requirements of political and economic freedom.

Nothing is more to blame for the rise in government interference and intervention in our private lives and security than the notion that government can solve all our problems and must be given, therefore, the unrestricted range of authority to do so.

Only when we come to full grips with those notions will we ever secure ourselves and our posterity against infringements on the right of privacy.

Jefferson observed that:

> It is in the natural course of events that liberty recedes and government grows.

While accurate, Jefferson's observation stated only one specific aspect of a larger and more complex equation, to wit: As external, collective human control over, and interference with, a person's life intensifies, individual liberty shrinks proportionally.

In this larger sense, the real threat to individual liberty is the collective will of any institution or group of people which has the economic or political power to coerce, intimidate, control, deny, or even give. The recognition that it is the natural course of events for liberty to recede as government grows is, then, only one manifestation of threats to liberty, albeit the most evident threat in both Jefferson's and our times.

The lessons of history teach us that this growth of collective power can come from institutions other than government. The problem is not singularly the "bigness" of these institutions, in relation to the individual and the exercise of his free will, but such "bigness" does accentuate the problem, in that it tends to reduce the range of alternative choices of conduct available to the individual.

But in the 20th century, particularly in our Nation, it has been the growth of—the "bigness" of—government which has posed the single greatest threat to human liberty, a growth in government occasioned by these erroneous notions that only government can solve the major social, economic, and societal prob-

lems of our era, and that government schemes and regulations are preferable to the laws of supply and demand and the exercise of free choice by individuals.

Woodrow Wilson, a doctor of philosophy in history and a recognized scholar on the processes of maintaining individual rights before coming to the Presidency, warned that—

> Liberty has never come from government. . . . The history of liberty is the history of limitations of government power, not the increase of it.

In contradistinction to the classical liberalism embodied in these profound observations of Jefferson and Wilson, despite the clear warnings from history as prior human experience, and even despite the all-too-apparent results of the rapid growth of government in our modern age, we seem, as a people, to have learned little. For, that government has grown disproportionately to the whole of society is factually indisputable, and that such growth has occasioned an ever-growing threat to individual liberty is, in my opinion, equally indisputable.

In both absolute and percentage terms, government's growth has been virtually without restraint during the past 40 years. It has exceeded all bounds of necessity and perspective. What are the facts? Between 1940 and 1972—

The Federal Government's gross annual revenue rose by 2,790 percent—from $7.0 billion to $202.5 billion.

Total Federal expenditures rose by 2,140 percent—from $10.1 billion to $226.2 billion.

The Federal debt outstanding rose by 830 percent—from $43.0 billion to $398.1 billion. It has since risen to $477.0 billion.

Federal expenditures per capita rose by 1,450 percent—from $77 to $1,195.

The Congress enacted 13,579 public laws.

Federal employment zoomed to 2,865,303 people.

The Federal Register, the Government's compilation of proposed and final rules, published hundreds of thousands of pages of Federal regulations carrying the full force of law.

Federal forms, to be painstakingly filled out by individuals and corporations, grew and grew in number and complexity.

Federal investigatory surveillance, and monitoring staffs grew to enforce each and every measure.

The number of Federal initiatives, most of which are reinforced through interventionist regulatory powers and policies, mushroomed.

The Federal agencies which execute these powers and policies—and, frequently, call for more—grew accordingly.

And, this growth in government was not limited to the Federal Government.

The manifestations were myriad: data banks, wiretapping, electronic surveillance, eavesdropping, credit histories, medical histories, income tax information, information systems, regulatory report filings, disclosure statements, data exchanges.

Separately—and, most assuredly, when taken collectively—these devices and procedures add up to a growing infringement on the right to be let alone, the right to privacy.

Government action is only one aspect of this infringement, for it has grown as well within the private sector, particularly with respect to matters involving personal financial data. Government policy has abetted those intrusions by the private sector, however, in that government has failed to institute remedial measures to safeguard privacy and has cooperated actively in information exchange systems.

Information flows from the private sector to government, from government to the private sector, from one government agency to another, from one private agency to another. A single error can be repeated and duplicated in a multiple of instances, compounding the individual's capacity to "set the record straight." It is but one example of why we must devise mechanisms to resolve this problem.

What, then, is this "right to privacy?"

The notion of privacy is closely related to the notion of due process, for limitations on capabilities within the Government and private sectors to intrude upon that privacy must be accompanied by statutorily prescribed procedures through which information can be obtained, exchanged, and disclosed only with the concurrence and knowledge of the party about whom such information is relevant, together with a mechanism for correcting erroneous information. These devices, once established in law, must be judicially enforceable with appropriate and easily exercised remedies available.

The right to privacy exists. Its recognition has been a slow, yet deliberate, process, for the difficulty of semantically formulating the parameters of the right has perplexed even the best of jurists and legal scholars.

In the year 1765, the English jurist, Lord Camden, in *Entick* v. *Carrington*, 19 How. St. Tr. 1029, expounded:

> It is not the breaking of his doors, and the rummaging of his drawers, that constitutes the essence of the offense; but it is the invasion of his indefeasible right of personal security, personal liberty * * * where that right has never been forfeited by his conviction of some public offense.

In the mid 19th century, in his then widely used textbook on tort law, Judge Cooley first used the term, the right "to be let alone," a right then defined in terms of tort actions against unauthorized uses of portraits and "the evil of the invasion of privacy by the newspapers," tort actions not dissimilar to modern actions for libel.

The watershed in the development of the notion of a judicially enforceable right to privacy was the publication by two young lawyers, Samuel D. Warren and Louis D. Brandeis, "The Right to Privacy," 4 Harv. L. Rev. 193 (Dec. 15, 1890):

> That the individual shall have full protection in person and in property is a principle as old as the common law; but it has been found necessary from time to time to define anew the exact nature and extent of such protection.
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> The common law . . . grows to meet the demands of society.
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> The intensity and complexity of life, attendant upon advancing civilization, have rendered necessary some retreat from the world, and man, under the refining influence of culture, has become more sensitive to publicity, so that solitude and privacy have become more essential to the individual. . . . When gossip attains the dignity of print, and crowds the space available for matters of real interest to the community, what wonder that the ignorant and thoughtless mistake its relative importance.
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> The common law secures to each individual the right of determining, ordinarily, to what extent his thoughts, sentiments, and emotions shall be communicated to others. Under our system of government, he can never be compelled to express them (except when upon the witness-stand); and even if he has chosen to give them expression, he generally retains the power to fix the limits of the publicity which shall be given them. The existence of this right does not depend upon the particular method of expression adopted. . . . In every such case the individual is entitled to decide whether that which is his shall be given to the public.
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> Lord Cottenham stated that a man "is entitled to be protected in the exclusive use and enjoyment of that which is exclusively his." Lord Cottenham declared . . . that "privacy is the right invaded." But if privacy is once recognized as a right entitled to legal protection, the interposition of the courts cannot depend on the particular nature of the injuries resulting.
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> These considerations lead to the conclusion that the protection afforded to thoughts, sentiments, and emotions . . . is merely an instance of the enforcement of the more general right of the individual to be let alone. It is like the right not to be assaulted or beaten, the right not to be imprisoned, the right not to be maliciously prosecuted, the right not to be defamed.
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> * * * * *
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> It is the unwarranted invasion of individual privacy which is reprehended, and to be, so far as possible, prevented.

Mr. Justice Brandeis found forum for these views in his now famous dissenting opinion, on other grounds, in Olmstead, 277 U.S. 438.

How can we at least begin to get an effective handle on this problem of encroachments on the right to be let alone, the right to privacy?

The often silent, and seldom vocal, threat which the growth of government poses to basic human liberty ought to be an issue on which there is commonality of concern and agreement, for it is a libertarian notion central to a free society. In that this House, both through its own initiatives and through acquiescence in powers sought by the Executive, helped to create this problem, and in that this House retains the power with which to aright these imbalances, it is my fervent hope that all Members—conservatives and liberals, Republicans and Democrats—can join together to, first, retard, and, then, to reverse, the undue growth in the power of government over individuals' lives and its most obvious manifestation today—infringements on the right to privacy, the right to be let alone.

There are, then, a number of ways in which we can get a handle on this problem.

First, we must establish procedures which govern the disclosure of certain financial information by financial institutions to Government agencies.

Second, we must protect the constitutional rights of our citizens and prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information.

I have sponsored H.R. 10259, the Right to Financial Privacy Act of 1973, to accomplish those two purposes.

Third, we must provide standards, at law, of fair personal information exchange practices.

I have introduced H.R. 10260, the Code of Fair Information Practices of 1973, to accomplish that purpose.

Fourth, we must act promptly and effectively to require full disclosure of the recording of telephone conversations to those individuals conversing.

I have introduced a bill which will amend 18 U.S.C. 2511(2) to require the actual giving of notice to all parties on the telephone line and the use of an automatic tone warning device producing an audible distant signal at regular intervals during the course of such conversation.

Fifth, we must tighten the laws governing inspection and disclosure of information contained in individual Federal tax returns, to insure that this, the most confidential of all information about an individual, is never used for any purpose other than that for which it is intended, never subject to political abuse, and remains in the strictest of confidence.

I have cosponsored a bill to provide for a tightening of these standards.

Sixth, we must stop the indiscriminate use of one's social security number for data gathering purposes, a use which has facilitated, far beyond any other mechanism which could have been devised, the collection of vast amounts of complex data on practically every citizen.

I have introduced a bill which would amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that, unless so required, no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program.

But more must be done than the introduction of bills.

If we are indeed to prevent the further erosion of the rights to be let alone and to privacy, this body must launch a legislative counterattack against encroachments thereupon.

Few actions can be more misleading than to sponsor legislation, on which people aspire or act in reliance, only to have those legislative measures pigeonholed. I call upon the committees of Congress, who exercise various jurisdictions over aspects of this impending crisis, to act as soon as possible on these—and related and important—measures.

Delay will not resolve this issue; it will only accentuate it.

HOUSING AND COMMUNITY DEVELOPMENT BILL TO GET US MOVING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, the Housing Subcommittee has just completed 3 weeks of hearings on housing and urban development legislation during which a good deal of valuable testimony was heard on both the administration's proposals and on H.R. 10036, the Barrett-Ashley bill (see CONGRESSIONAL RECORD, Sept. 5, 1973, p. 28436).

The general tenor of the testimony was against the administration's proposals and in favor of trying out the Barrett-Ashley approach—at least on a limited scale. While much of the testimony was favorable to Barrett-Ashley, there was also a good deal of constructive criticism—something to be expected in hearings on a measure like H.R. 10036, which contemplates some very basic departures from our current housing assistance delivery system.

In the light of those hearings and a careful reading of the Barrett-Ashley bill, I endorse its basic approach and today introduce H.R. 11570, a bill which is similar to H.R. 10036, but which incorporates my own recommendations and those recommendations for improvement which came out of the hearings that I consider most meritorious.

My colleague on the Housing Subcommittee, Mr. MOORHEAD of Pennsylvania, joins me in sponsoring the bill. However, he differs with the bill in one respect, the provision which gives a priority to urban counties in applying for community development and housing block grant funds which would be available to HUD for distribution on a discretionary basis. Mr. MOORHEAD is developing a separate proposal on this matter which he will introduce during the subcommittee's executive sessions on this legislation, expected to begin in January.

The bill I introduce today contains the following new provisions:

First, the bill would authorize a program to encourage the formation of State development corporations similar to New York State's very successful Urban Development Corp. Under the bill Federal assistance would be made available to such corporations in the form of a Federal guarantee of the obligations they issue to finance their operations. These obligations would be taxable, with a 30-percent Federal interest differential grant available to make up the difference between the interest cost on these obligations and the interest which would be paid on similar tax-exempt obligations.

It is important to recognize that community development block grants will be of assistance primarily in the provision of infrastructure facilities, necessary community services, and cleared land at prices which make development feasible. Experience under the urban renewal program has shown that, in many areas of the country, large-scale developers are needed to provide both the subsidized and unsubsidized housing and related private and public facilities necessary for the creation of viable, well-planned neighborhoods. In addition, in many instances, the development of large-scale industrial, manufacturing, and commercial facilities, in conjunction with housing, is often needed to promote the economic stability and growth of particular neighborhoods in urban areas. To meet these needs and to fill what I consider a gap in the Barrett-Ashley bill, I am proposing this program of Federal assistance for large-scale public developers.

Second, with respect to housing and community development block grants, I include express statutory language in the bill to make it clear that State development corporations would be eligible entities for direct assistance in any case where a State government would be eligible.

Third, a number of witnesses at the hearings, most notably former Secretary of HUD Robert C. Weaver, expressed concern at the lack of emphasis in the Barrett-Ashley bill on the need to treat housing and community development as an areawide problem—one which is not confined to a particular locality's boundaries. Dr. Weaver specifically recommended strengthening the language concerning the provision of housing near employment opportunities which is contained in section 112(a)(3) of the Barrett-Ashley bill. I have done so in the bill, by providing a priority for community development grants to local governments that on their own initiative are making good faith efforts to provide low- and moderate-income housing.

Fourth, a number of witnesses expressed concern over the technique proposed in the housing block grant proposal for assuring the long-term financing of future subsidized housing projects. I have closely examined this financing technique and regard it as basically sound. I can appreciate, however, the concern of housing sponsors and others in the field over this novel technique—especially the apparent lack of any assurance that block grant funds will continue during the life of the project at a level which is sufficient to provide necessary subsidies. To help assuage this concern, I have included a provision in the bill directing State and local governments and the Secretary of HUD to administer their housing block grant programs in such a manner as to assure that an insufficiency of funds in any particular year does not result in an unreasonable increase in charges to the occupants of housing projects built under the program. An explanation of the financing of housing under provisions of the housing block grant is included at the end of my remarks.

Fifth, the bill also includes an amendment to the housing block grant proposal permitting a locality, as an eligible activity under the housing block grant, to carry out a program of housing allowances where such a program has been specifically approved in advance by the HUD Secretary. Inclusion of housing allowances as an eligible block grant activity would provide greater flexibility to local governments in solving their housing needs.

Finally, and I think most important,

the bill would carry over into the new housing and community development block grant programs the policies first developed under the model cities program which require that opportunities for training and employment arising in connection with the programs and contracts for work to be performed in connection with particular projects be given, to the greatest extent feasible, to persons residing in the area. I think it most important that this requirement be included. In carrying out the new block grant programs, we must not allow ourselves to again be subject to the Banfield-Moynihan criticism that the housing and community development programs of the 1960's are not serving those they were designed to help, but rather the "middlemen"—the bankers, lawyers, builders, and social workers—instead.

In conclusion, I wish to repeat that I enthusiastically endorse the major provisions of the Barrett-Ashley bill. The bill I offer today contains needed improvements, improvements which in no way detract from the Barrett-Ashley approach. I hope that these improvements will increase support for an excellent piece of legislation.

There follows an explanation of financing methods:

THE FINANCING OF PRIVATELY OWNED HOUSING UNDER H.R. 10036

It is anticipated that most of the financing for rental projects would be provided by State or local agencies. These agencies would raise funds by issuing long-term obligations the interest from which would be included in income for purposes of Federal income taxation. HUD would make grants to these State and local agencies to reduce the interest paid on these "taxable" obligations by 30 percent, which would lower the cost of borrowing to approximate the cost of "tax-exempt" borrowing. In addition, the Federal Government would fully guarantee the timely payment of principal and interest on these obligations.

For example, a State housing finance agency might borrow funds at a "taxable" rate of 8 percent. The interest reduction grant of 30 percent would reduce the effective interest rate paid by the State agency to 5.6 percent. The State or local agency could lend funds raised in this manner to a private sponsor to provide construction and permanent financing for a rental project.

Without subsidies, the project would have to generate rentals sufficient to pay operating costs and to enable the State or local agency (the lender) to meet payments on its obligations and its administrative costs related to the loan. In terms of the example given, the project would have to support approximately a 6 percent loan.

In order to reduce rentals to levels affordable by most of the low and moderate income persons to be served by the program, housing block grant funds would be substituted for a portion of the rentals. For example, without subsidy the average monthly rentals might be $150. A certain level of subsidy would be agreed upon initially by the project owner, the recipient of block grants (usually a local government), and the lender (a State agency, for example), which would require average monthly rentals of $90, for example. The project owner would apply the rentals toward operating costs, reserves, and profits and pay the remainder to the State or local lender. Block grant funds would be used to cover the differential between the amount the lender received from the project and the debt service requirements on its obligations. If it is decided to provide very low rentals in a project, say an average of $45, part of the block grant funds would go directly to the project owner.

The project owner's payments to the lender would by agreement be determined by three factors: the level of subsidy, the operating costs, and the rentals. In the example given above involving $90 average rentals, the agreement may require that initially $15 a unit be paid to the lender (toward principal and interest on the loan), leaving the remaining $75 for operating expenses and profits. Any of the three factors can change, however. If rentals increase (for example, because of changes in minimum rent requirements), payments to the lender could be increased and subsidy payments decreased.

If operating costs increase, rentals could be increased. However, the recipient of block grants would have the option of increasing the subsidy available to the project. Thus, if in the above example operating costs increased from $75 to $95, average rentals might be increased to $100 and subsidies increased by $10 per unit. The lender would continue to receive $15 per unit.

Subsidies could also be increased if rentals decreased. Increases in subsidies could be made available out of reserves held for this purpose by the block grant recipient or out of the incremental portion of each year's block grant.

However, if the project appears to be a failure and there is a high vacancy rate, the project can be foreclosed. The recipient of block grants would bear any loss involved either through using available block grant funds or reimbursing the Federal Government for payments on its guaranty out of future block grants.

In the unlikely event that the Federal Government reduces or eliminates the funding of block grants in the future below levels necessary to continue support of existing subsidized projects, project owners and tenants would be protected. The guaranty agreement between the Federal Government and the State or local lending agency would provide for the Federal Government to make up any deficiency in the required payments on the State agency's bonds on the same repayment schedule and without a "default" by the State agency. In the example given above, the project owner would be required only to continue the payment of $15 a unit to the lender. The $15 payment could be reduced to zero as necessary to meet increased costs beyond the rent-paying ability of the tenants.

Projects receiving or requiring subsidies of operating costs could be hurt if annual funding were cut off, but all projects under existing programs are similarly vulnerable. To assure protection in such cases, State or local governments might assume the financial responsibility for operating subsidies.

The purchase or sale of owner-occupied housing is likely to be financed primarily with FHA-insured mortgages, with the purchasers assuming the slight risk of the curtailment of funding. . . .

GAS RATIONING NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 20 minutes.

Mr. OWENS. Mr. Speaker, the oil crisis will overshadow nearly every major crisis this country has known since World War II. The Northeast blackout will seem mild compared to the discomforts and inconvenience that is likely to last for weeks, even months, this winter. The Cuban missile crisis did not carry the prolonged impact on individual lives that cold and immobility will produce. Dire warnings of widespread industry closures and unemployment rates exceeding 8 percent are difficult to comprehend, particularly by the majority of our population falling below the age of 25.

THE DIMENSIONS OF THE CRISIS

While it may be understandable that the vast majority of the country has not yet comprehended the dimensions of the problem, I am baffled by the administration's timid approaches to the problem. The energy-saving measures the President announced last night are inadequate and unrealistic in view of the harsh energy facts. By his own calculations, the steps announced by the President will produce a savings of only 10 percent when he is estimating a shortage of 17 percent. And many others are predicting shortages of 25 to 35 percent. Inconvenience is minimized for now, under the President's proposals, at the expense of dire hardship later. It was obvious nearly 2 years ago that this country was embarked on a course of considerable risk. Restrictions on imports coupled with artificially low prices for dwindling supplies of domestic petroleum brought the expansion of new refining capacity to a standstill. As a result this country only produces 9.6 million barrels per day of domestic oil and is capable of refining only 12.6 million barrels per day of crude oil. We must now import 4.7 million barrels per day of refined and residual oil products from other countries to meet the average daily demand for 17.3 million barrels per day of petroleum products. Even before the Middle East embargo, we were going to need an additional 1.4 million barrels per day of imports to meet the increased demand over last year.

The Middle East embargo has turned a serious problem into the major crisis we now face. While direct imports of Middle East crude oil amount to a little over 1 million barrels per day—6 percent—indirect supplies of petroleum—those which are shipped via other countries—bring our total dependence on Middle East oil to a staggering 14 percent of our current needs, or 2.5 million barrels per day. Largely neglected by the administration is the fact that most of our alternative sources of additional imports, those outside the Middle East, will be called upon to make up additional worldwide shortages of 2.5 million barrels per day and therefore will be hard pressed to make up our shortage of 2.5 million barrels per day. And under no conceivable circumstance can we expect that our increased demand this year—1.4 million barrels per day—will be made up from alternate sources.

AREAS OF GREATEST IMPACT

The most serious problem will occur in the shortages of distillate fuels, or heating oil. The Office of Oil and Gas predicted in September a need for over 650,000 barrels per day of heating oil imports to supplement the daily production of 3 million barrels per day from domestic refineries. With the shutoff of Middle East crude oil this need will increase to nearly 1 million barrels per day, or 25 percent of our wintertime daily demand of 4 million barrels per day. This shortage, which is based on the assumption that winter conditions

will be no more severe than normal, will drastically affect the east coast where imports from foreign and domestic supplies furnish nearly all of the needs for heating oils. It will be difficult to alter the distribution patterns within this country in sufficient time to make up for loss of the imported products. It is quite possible that most of the immediate shortfall in heating oils will be absorbed, at least in the early period, on the east coast. If that is the case, the east coast will face winter with only 60 percent of its normal requirement of 2,000,000 barrels per day of heating oil. A colder than normal winter will reduce that to less than half of the normal need. No amount of thermostat adjustment will make up this shortfall.

An almost equally bleak picture can be seen in the residual oil, or industrial fuel, area. Nationwide we consume about 2.5 million barrels per day of residual oil of which 70 percent, or 1.7 million barrels per day are imported. Over the past decade, the east coast has almost completely converted from coal to residual oil and now depends on imports for over 90 percent of its supply. Between 1965 and 1972, 398 coal-fed utility boilers, mostly on the east coast, were converted from coal to oil. These plants have been called upon by President Nixon to convert back to coal but this is a difficult undertaking which will require production of an additional 70 million tons of coal a year and will save, at the very most, 300,000 barrels of the total 1.7 million barrels per day of residual oil required by east coast industry. I think it is quite obvious that the electric utilities which depend heavily on this fuel, and their customers, which includes just about everybody, are in for a very difficult time.

The majority of the remaining shortage in petroleum products will fall upon motor gasoline and jet fuels. Nearly 25 percent of our annual consumption of 8 million barrels per day, or 2 million barrels per day, of jet fuels and motor gasoline will simply not be available.

In the face of the information available—a 23 percent shortfall in total petroleum products available, a possible 50 percent shortage in east coast winter heating needs, in excess of 75 percent shortage in industrial oil needs on the east coast, and a 25 percent shortage in gasoline and jet fuel requirements—it is inconceivable that the President is approaching this crisis so timidly. We cannot afford to risk the very real possibility of running completely out of heating oil in widespread areas of the country on the assumption that the Middle East situation can be eased through the diplomatic efforts of a very capable Secretary of State. To hide our heads is foolish—we must plan for the worst and make the painful decisions now.

REQUIRED HEATING AND INDUSTRIAL OIL SAVINGS

Maximum practicable savings must be achieved immediately in the four major affected categories of fuel usage. For heating oils, the President has already called for a 15 percent reduction in the allocation of heating oils to last year's customers. While that amount of reduction can be achieved through lower thermostat settings, we will not make the necessary savings by that step alone. That allocation should be immediately reduced by 5 to 10 percent. If 20 percent savings could be achieved, we would reduce our demand by 700,000 barrels per day nationwide and would reduce the east coast shortfall to about 20 to 25 percent of needs. A massive national campaign should be started immediately to inform the public that only 80 percent of last year's allocation will be available to each home and that rooms should be closed off and temperatures kept at the lowest possible setting. The remaining shortfall can be met by converting refinery operations to the production of more distillate fuels at the expense of other fuels. At the same time immediate steps must be taken to alter distribution patterns so that the east coast can be supplied with increasing proportions of the gulf coast States heating oil stocks.

An accelerated program of conversion to coal-fired burners rather than residual oil burners must be undertaken immediately. The administration should establish an office of special investigators to visit each plant that is known to have the capability to convert to a coal operation and impress upon plant managers the need for quick action. At the same time, the administration should take steps to see that the maximum increase in coal production is achieved over the next 2 months.

At the same time, we must not be timid in approaching the problem of air standard variances. Although I support, fully, the provisions of the Clean Air Act, I am convinced that the crisis we face is sufficiently grave as to warrant setting aside strict compliance with secondary standards in order to get us through this winter. I would not favor the granting of variances for more than 6 months at a time. Additional variances might be necessary but should be granted for only the period of most serious need. The alternatives to avoid widespread electricity outages and plant closures are few. One is to import more of this product. The other alternative is to reduce gasoline production in favor of more residual oils.

REQUIRED GASOLINE AND JET FUEL SAVINGS

The greatest savings in fuel can be achieved in the motor gasoline and jet fuels area. The president of the American Automobile Association estimated recently that almost a third of current gasoline consumption is for nonessential purposes. Pleasure driving and unnecessary trips made for convenience rather than real need must be reduced drastically. The President has asked that speed limits be reduced, that service stations be closed on Sunday, and that trips be combined. These will produce savings of approximately 10 percent, which is clearly inadequate. Reductions in the number of commercial jet flights may produce savings of about 15 percent. The total savings in gasoline and jet fuels which can be expected by these measures is approximately 800,000 barrels per day.

Summing all of the savings which may be achieved by the steps so far outlined by President Nixon, we are still short of the total 4 million barrels per day in savings which must be achieved. Therefore, we must immediately reduce our consumption of gasoline and jet fuels by an additional 1.6 million barrels per day. The current consumption of gasoline is approximately 18.6 gallons per week per registered vehicle, or a total of 7 million barrels per day. Jet fuel consumption amounts to 1 million barrels per day. If average gasoline consumption were reduced 30 percent—down to 13 gallons per vehicle per week—and jet fuel consumption were reduced 30 percent—to 700,000 barrels per day—we would save an additional 1.6 million barrels per day in gasoline consumption.

WAYS TO REDUCE GASOLINE CONSUMPTION

There are four possible programs to reduce the consumption of gasoline: first, allow prices to rise and let normal market forces allocate the supplies, second, apply an arbitrary surtax and let market forces allocate supplies, third, establish a firm allocation program which would allow each supplier only a percent of his last year's allotment, and fourth, adopt a coupon rationing program.

In my view, the program which is chosen must meet three basic criteria: it must achieve the target reduction; it must meet basic needs; and it must be nondiscriminatory.

Allowing normal market forces to allocate supplies through higher prices will not achieve the necessary fuel savings. Economists have long recognized that fuel is underpriced, and only if the cost is substantially increased will the amount of purchases decrease materially. The cost of fuel represents a small portion of disposable income to the majority of citizens, but that solution falls with disproportionate impact upon those with the least disposable income—the middle- and lower-income groups. This solution would also have the distasteful effect of providing the oil industry with windfall profits, on top of the record profits made this year.

An arbitrary surtax would be regressive in the same way—hitting those who can afford it the least. Some have suggested that this tax could be discounted against yearly income taxes. At best this would produce temporary, though real, hardships on those with fixed income and little, if any, long-range gas savings. There is no certainty that this type of surtax approach would save 30 percent of our gasoline consumption. The surtax approach, even if partially rebated, would preclude windfall profits to the oil industry.

A firm allocation program would allow each dealer a fraction of his last year's allotment. Although this would assure that required savings were met, it would not assure equitable distribution of supplies. Individual stations could restrict deliveries to each vehicle but there would be no way to preclude several stops in order to fill the tank. Some would be able to squander scarce supplies while others would be unable to meet even basic needs. And inevitably, the service stations, as they did last summer with smaller allotments, will sell out their gas and close—at monetary losses to them and gross inconvenience to motorists.

A rationing program, though complicated and subject to a great deal of abuse if not carefully administered, would allow basic needs to be met without pre-

cluding essential uses. It would assure that target savings in fuel are met and could be modified as required to adjust for fluctuations in supply. If, for example, the Middle East countries were to ease the present embargo, or new sources found, adjustment in the rationed allowance could be accomplished with little difficulty. And it can be abandoned altogether when that is possible.

GASOLINE RATIONING

It is apparent to me that rationing is the only solution which will achieve the savings in fuel required, most nearly assure that all essential needs are met, and assure the most equitable distribution to all. We should not shy from making the decision to proceed immediately. Only immediate rationing can avert a disastrous winter, unemployment, and widespread economic hardship by providing for adequate fuel to move people to work and goods to market.

In order that all the basic needs be met, every owner of a registered vehicle could receive a basic allowance of 10 gallons per week. If no additional amounts were allowed, this alone would save 45 percent of our annual consumption rate of 7 million barrels per day of gasoline. However, it is unrealistic to assume that this would meet all basic needs—emergency vehicles, police cars, fire equipment and other vital needs must be met. In addition, many, such as salesmen, and those faced with long commutes to work, will require more than the basic allowance. These will require planning and administration, but the decision to proceed must be made immediately so that these needs can be accommodated.

If we will undertake rationing now before supplies run out, rationing can be done carefully to assure that life and work continue in an orderly fashion. If we wait until February when the country will literally run out of gas, severe disruptions are inevitable. We know how much oil we have. We know also, how much oil we do not have. These are not normal times and the solutions we must seek can not be normal. The President must act now—rationing of gasoline should be started as soon as possible.

CPA AT DOT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, continuing with my effort to avoid confusion in relation to the scope of authority for a proposed Consumer Protection Agency, today I wish to insert material from the Department of Transportation.

There are three CPA bills pending before a Government Operations Subcommittee on which I serve—H.R. 14 by Congressman ROSENTHAL, H.R. 21 by Congressmen HOLIFIELD and HORTON and H.R. 564 by Congressman BROWN of Ohio and myself.

The major difference among the bills is that under two of them, H.R. 14 and H.R. 21, the CPA would be granted a statutory right to appeal to the courts the final decisions of other agencies, including decisions not to take action as requested by the CPA. Under the Fuqua-Brown bill, on the other hand, the CPA would not be allowed to appeal to the courts the final decisions of other agencies.

In this regard, the material submitted from DOT demonstrates that all of the many thousands of actions taken by that Department annually would be subject to CPA court appeals under all bills except the Fuqua-Brown bill, H.R. 564.

It should also be noted that the number and type of DOT proceedings each year are so numerous that the Department could not respond to my request for a full itemization of all of them. Instead, DOT sent me a summary of major actions.

This shows the problems we on the subcommittee face in weighing the various provisions in the CPA bills before us—there is absolutely no way we can familiarize ourselves with the literally billions of annual Federal agency formal proceedings and informal activities that would be subject to CPA advocacy under the proposals.

In fact, my staff often has trouble preparing material such as today's insertion for the RECORD because of the volume of affected proceedings involved. You will recall that all of the material from the Environmental Protection Agency could not be printed in the RECORD with my insertion on that agency earlier this month; we had to send much of it to the subcommittee office and notify the Members that it would be available for review there for those who wished to see the substantial impact of a CPA upon EPA.

Similarly, I have received a response to my survey from one major agency which sent me computer readouts listing hundreds of thousands of its 1972 formalized proceedings, alone, which would be subject to CPA advocacy under the bills and CPA court appeals under all except the Fuqua-Brown bill.

Mr. Speaker, I submit in the RECORD a listing of the 1972 DOT proceedings that would have been subject to CPA advocacy under the pending bills in the Government Operations Committee. I do this to give the Members an early appreciation of the scope and importance of these bills, with the hope that we may avoid the confusion that occurred during our 1971 debate on this issue.

OFFICE OF THE SECRETARY
OF TRANSPORTATION,
Washington, D.C., September 26, 1973.

Hon. DON FUQUA,
House of Representatives,
Washington, D.C.

DEAR MR. FUQUA: This replies to your inquiry of September 7, 1973, requesting data pertaining to the operations of the Department of Transportation during calendar year 1972. I understand that the Department's Office of Congressional Relations has been informed by your staff that summary data will be appropriate. The listings below will be itemized by the Departmental elements involved[1]; and major subject matter. The proceedings of the Department during the course of a full year are too numerous for specific description of each.

(A) *Question 1.* What regulations, rules, rates or policy interpretations subject to 5 USC 553 (the Administrative Procedure Act (APA) notice and comment rulemaking provisions) were proposed by your agency during calendar year 1972?

(1) OST

The Office of Hazardous Materials engaged in numerous proceedings involving the classification of hazardous materials and applications for special permits.

The Office of Pipeline Safety proposed and adopted a number of regulations dealing with the safe operation of gas transmission pipelines and acted upon several requests for waiver of various regulations.

The Office of Transportation Security initiated a program to promulgate cargo security advisory standards. Although these are not, in a technical sense, either rules or regulations and thus not within the purview of the APA, they are issued after notice and opportunity for comment.

One proceeding was concluded under the Uniform Time Act in which the line between the eastern and central time zones in Florida were relocated.

Several agency administrative regulations involving such matters as public availability of information, nondiscrimination in Federally-assisted programs, and procurement.

(2) USCG

Numerous proceedings involving:

Drawbridge operations.

Implementing regulations under the Boating Safety Act and Life-Saving Equipment Program.

Maritime carriage of hazardous materials.

(3) FAA

Numerous proceedings involving promulgation, revision and amendment of rules, regulations, minimum standards and procedures governing the following:

General rule-making and enforcement procedures.

Aircraft, including design, materials, workmanship, construction, and performance of aircraft, aircraft engines, propellers, appliances and parts. Also their maintenance and alteration, identification and registration.

The certification of airmen and certain non-airmen, to insure possession of minimum qualifications with regard to knowledge, experience, competency, medical, and various others as required.[2]

Airspace, including the designation and use of Federal airways, controlled airspace, reporting points, special use airspace, the establishment of jet routes and area navigation routes, and control of objects affecting navigable airspace.

Air traffic and general operating rules.

The certification and operations of operators, including air carriers, air travel clubs, and operators for compensation or hire.[2]

The certification and operations of ground instructors, schools, and other certificated agencies.[2]

The certification, operation, and maintenance of non-Federal navigational facilities.[2]

Airports.

The transportation of hazardous materials and other dangerous articles by air.

Aircraft noise abatement and sonic boom.

Airport security measures.

[1] Office of the Secretary (OST), United States Coast Guard (USCG), Federal Aviation Administration (FAA), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA), National Highway Traffic Safety Administration (NHTSA), and Urban Mass Transportation Administration (UMTA).

[2] While, by definition, issuance, or denial of such certificates amounts to an "adjudication" within the definition thereof in the Administrative Procedure Act (see 5 U.S.C. 551(6), (7) and (9)), these are not adjudications "subject to" the provisions of 5 U.S.C. 554 which applies only where a determination is required by statute to be made "on the record after opportunity for an agency hearing." The Federal Aviation Act does not require a hearing.

(4) FHWA

Proceedings looking toward issuance, modification or revocation of provisions of the Motor Carrier Safety Regulations including matters such as vehicle requirements, driver qualifications and carriage of hazardous materials.

(5) FRA

Promulgation of regulations under the Rail Safety Act.

Regulations affecting the transportation of hazardous materials.

Requests for waiver of operating rules.

Promulgation or modification of standards under such authorities as the Safety Appliances Acts and the Locomotive Inspection Act.

(6) NHTSA

Promulgation of numerous Federal Motor Vehicle Safety Standards.

Regulations concerning tire uniform quality grading system.

Requests for waiver of regulations with respect to importation and vertification of noncomplying vehicles.

Promulgation of uniform highway safety programs standards.

(7) UMTA

There were not any proceedings conducted under the notice and comment provisions of section 553 of the APA.

(B) *Question 2.* What regulations, rules, rates or policy interpretations subject to 5 USC 556 and 557 (that is, APA rulemaking on the record) were proposed or initiated by your agency during calendar year 1972?

The only formal rule makings on the record conducted or proposed during 1972 involved proceedings instituted by FHWA to consider the matter of toll bridge rates at Philadelphia, Pennsyvania; Budington, Iowa; and Chester, Illinois.

(C) *Question 3.* Excluding proceedings in which your agency sought primarily to impose directly (without court action) a fine, penalty or forfeiture, what administrative adjudications (including licensing proceedings) subject to 5 USC 556 and 557 were proposed or initiated by your agency during calendar year 1972?

None.

(D) *Question 4.* What adjudications under any provision of 5 USC Chapter 5 seeking primarily to impose directly (without court action) a fine, penalty or forfeiture were proposed or initiated by your agency during calendar year 1972?

The USCG conducts numerous proceedings involving revocation, suspension or modification of merchant seamen documentation.

(E) *Question 5.* Excluding proceedings subject to 5 USC 554, 556 and 557, what proceedings on the record after an opportunity for hearing did your agency propose or initiate during calendar year 1972?

None.

(F) *Question 6.* Will you please furnish me with a list of representative public and nonpublic activities proposed or initiated by your agency during calendar year 1972?

There are numerous functions of the Department which, although they do not fall into the class of formal proceedings, nevertheless amount to "agency activities". H.R. 14 and H.R. 564 define "agency activity" as including "any agency process, or any phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal, but does not mean any particular event within such process."

The limiting effect of the last-mentioned definitional caveat regarding "any particular event" is unclear. We find it conceptually difficult to separate any agency "process" from the particular events which it comprises. To cite only one example, how is it possible to isolate a single event in the process by which determinations are reached as to whether agency records will be released to the public under the Freedom of Information Act (5 U.S.C. 552)?

Applying to the proposed bills a literal construction, it appears to us that "agency activity" cuts across virtually every function of this Department, formal or informal, that does not fall within its formal rulemaking or adjudicative functions. Carrying this provision to its logical conclusion, the following representative functions of the Department would be included:

Preparation of Department budget.

Determination of Departmental positions for presentation to the Congress.

Personnel matters, including duty assignments and promotion policies, and USCG courts-martial procedures.

Decisions to hold meetings or attend conferences or events.

Administration of grants-in-aid and loan programs.

Decisions to conduct research and development.

Collection and publication of data, and issuance of press releases.

Conduct of enforcement programs, including determinations to seek or compromise civil penalties.

(G) *Question 7.* Excluding actions designed primarily to impose a fine, penalty or forfeiture, what final actions taken by your agency in calendar year 1972 could have been appealed to the courts for review by anyone under a statutory provision or judicial interpretation?

The right of review granted by 5 U.S.C. § 702 to "a person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute" would apply to all final agency actions under the Administrative Procedure Act (including section 552).

As previously noted, the data presented is only representative of the myriad activities of the Department of Transportation.

I hope you will find this information useful.

Sincerely,

J. THOMAS TIDD,
Acting General Counsel.

THE IMPORTANCE OF EXAMPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, as former Attorney General John Mitchell, the "philosopher" of the Nixon administration, said in response to many questions: "Look at what we do, not what we say." With this in mind, I listened to the President's address to the Nation urging some initial steps toward cutting down gas and oil consumption, steps which I fear will have to be intensified later. I heard President Nixon again urge the American people to endure cold, dark houses, cut travel on the weekends to conserve fuel, and then today I found the following article in the newspaper:

NIXON'S WEEKEND: 600 GALLONS OF FUEL

Helicopters used by President Nixon and his Secret Service escort consumed about 600 gallons of fuel during Mr. Nixon's two round-trip flights to his Camp David retreat this holiday weekend, figures provided by the White House indicate.

Mr. Nixon's helicopter is accompanied by an identical aircraft ferrying Secret Service agents. The White House said each helicopter burns about 150 gallons of fuel an hour, and the flight between the White House and Camp David is about 30 minutes.

In addition, the President's limousine is driven the 70 miles to Camp David and other automobiles are used to carry staff personnel.

Following Mr. Mitchell's philosophy, I can see how the American people question the credibility of President Nixon. I have found in my district that this skepticism extends to the energy crisis itself. Perhaps good example should begin at the top. The President's weekend travels can only encourage the "I'm all right Jack" attitude which will intensify our energy crisis.

HAWAII'S LORI LEI MATSUKAWA IS MISS TEENAGE AMERICA, 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, the whole world knows, I am sure, but just in case any Member of this august body missed the best and greatest news over the last weekend, I take great pride in announcing that Hawaii's Lori Lei Matsukawa was crowned Miss Teenage America, 1973, last Saturday evening at Fort Worth, Tex.

An excellent student, a talented singer and dancer, the 17-year-old beauty is the daughter of Mr. and Mrs. Joe Sadao Matsukawa and the granddaughter of two of Hawaii's earliest immigrants from Japan. It was my pleasure to know Lori Lei's grandparents and parents when I lived on the island of Kauai as a youngster.

It was my pleasure, too, to host Lori Lei here on Capitol Hill when she came as a member of Aida High School's "Swinging Singers" only last year. The group made a highly successful performing tour of the mainland United States, during which they performed in the House Caucus Room of the Cannon Building for a standing-room-only audience.

As Miss Teenage America, Lori Lei will receive a $10,000 4-year scholarship to the university of her choice, which I am told is Northwestern University in Illinois. She will also receive $5,000 in travel expenses and shares of stock. Lori Lei was sponsored in the Miss Teenage America contest by Liberty House, a department store chain which is a subsidiary of Amfac, Inc. of Hawaii.

Those who watched her in person or on television will agree with me, I am sure, that the judges made the right choice and that Lori Lei will prove a real credit to this great Nation of ours. As an Hawaiian, she will plant the seed of aloha wherever she goes and spread infectious cheerfulness among all whom she meets. What is more important, perhaps, is that she has already proven to the world that in America, regardless of race or ancestry, one can expect one's wildest dream to come true.

I take this means to congratulate Lori Lei and her proud parents, Mr. and Mrs. Joe Sadao Matsukawa of Aiea, Hawaii.

NATHANIEL S. KEITH

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, on Saturday, November 24, one of the most out-

standing experts in the field of housing and urban development died. Nathaniel Keith, long-time president and then chairman of the National Housing Conference had one of the longest associations both in Government and in private industry with the Federal Government's efforts to provide safe and adequate housing for all its citizens. Nat Keith joined the Washington scene in 1929 as a reporter covering financial activities in Washington for the Wall Street Journal.

He joined the Federal Government in 1940 with the old National Housing Administration and by 1949 became the first director of the Federal Government's urban renewal program which has done such an outstanding job in revitalizing our cities. It was at Nat Keith's direction that the urban renewal program took shape. As chairman of the Housing Subcommittee, I have worked particularly close with Nat Keith over the last 10 years. As president and then chairman of the National Housing Conference, Nat was always appearing before our Housing Subcommittee testifying on pending legislation and urging upon the Congress his expert advise in a very complicated and controversial area. We always listened to Nat and in many cases considered and accepted his sound recommendations.

Mr. Speaker, there are many thousands of families across America who have benefited from Nat Keith's brilliant services to his country, and I am sure that many will agree with me that our effort to provide decent, safe, and sanitary housing and the effort to improve our cities have lost a major benefactor.

I insert the following article from the Washington Post, November 26, 1973:

NATHANIEL S. KEITH, EXPERT ON HOUSING

(By Jean R. Hailey)

Nathaniel S. Keith, 66, an authority on urban renewal and slum clearance, died Saturday at the National Institutes of Health of pneumonia complicated by cancer.

At the time of his death, Mr. Keith was chairman of the board of the National Housing Conference. He had served as its president from 1958 to 1972.

He was considered a leader, both as a federal government official and later as a housing consultant in private practice, in programs to start the revitalization and redevelpoment of many cities, including Washington, D.C.

In 1955, Mr. Keith and developer James W. Rouse prepared a long-range urban renewal program for the D.C. Commissioners in which they called for a centralized administration of such a program.

Although their advice was not followed to the fullest extent, and the responsibility for urban renewal continued to be spread among a number of agencies, their report was credited with leading to the redevelopment of Southwest Washington.

Mr. Keith also had played an important rolé as a consultant to the Redevelopment Land Agency on the problems of renewal in the blighted Northwest and Northeast sections of the city.

His work had included an intensive urban renewal study for the Federal City Council, which had been asked for such a report by the House District Committee.

Born in Cincinnati, Mr. Keith was a graduate of Brown University. He was a staff writer for the Wall Street Journal from 1929 to 1940, specializing in transportation industries, construction, corporation finance and federal finance.

During World War II, he was special assistant and Congressional liaison officer to the National Housing Administrator.

In 1944, Mr. Keith became assistant to the administrator of the Housing and Home Finance Agency and five years later was named the first director of the Federal Slum Clearance and Urban Redevelopment Program.

In this position, he organized and administered a $1.5 billion program of federal financial assistance to more than 200 cities throughout the country.

He opened his own consultant offices in 1953. They are located at 1250 Connecticut Ave. NW.

In addition to working with D.C. urban renewal, Mr. Keith was a consultant to the Municipal Housing Authority of San Juan on its plans for the renewal of San Juan Antiguo and helped to prepare a long-range community development for Buffalo, N.Y., involving private residential and neighborhood commercial renewal which is now underway.

He also served as a consultant on redevelopment programs in Rochester, N.Y., Battle Creek, Mich., the University of Maryland and the Virgin Islands.

As president of the National Housing Conference, Mr. Keith was a major spokesman for the public interest before Congressional committees considering housing and urban development. The Conference is a clearing house for coordinating support of housing legislation by progressive groups throughout the country.

His book, "Politics and the Housing Crisis," published recently, analyzes political developments that have been involved in the evolution of the national housing policy.

Mr. Keith was a trustee of the Foundation for Cooperative Housing and a member of the National Association of Housing and Redevelopment Officials, the National Trust for Historic Preservation, the Washington Planning and Housing Association, the Washington Building Congress, the Metropolitan Board of Trade and the Cosmos Club.

He is survived by his wife, Marjorie MacDonald, of the home, 6316 31st Pl. NW; a daughter, Penelope Trickett, of North Branford Conn.; a sister, Margaret Friend, of Long Island, N.Y., and one grandchild.

The family suggests that expressions of sympathy be in the form of contribution to Children's Hospital.

STEPHEN G. SLIPHER

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, during the Thanksgiving recess the House and financial community lost two of its most outstanding representatives with the deaths of Stephen Slipher, the legislative director and vice president of the U.S. League of Savings Associations, and Nathaniel S. Keith, chairman of the board of the National Housing Conference. Steve Slipher was the longtime Washington director of the U.S. Savings and Loan League having headed their Washington office since 1949. The U.S. Savings and Loan League is the major trade organization for the savings and loan associations throughout the country. As its Washington spokesman, Stephen Slipher represented an industry which at his death had some $260 billion in total assets. When he joined the U.S. League in 1941 the savings and loan industry had assets well under $20 billion.

Mr. Speaker, I have known Steve Slipher since 1949 and always appreciated his expert advice, his renowned humor, and good friendship. As the "dean" of the housing and financial representatives in Washington, it was my good fortune to have many associations with Steve Slipher in my capacity as the chairman of the Housing Subcommittee and ranking majority member on the Committee on Banking and Currency. The housing and financial community is certainly at a loss with the death of Steve Slipher.

I insert the following article from the Washington Post, November 20, 1973:

STEPHEN G. SLIPHER DIES; OFFICIAL OF S&L ASSOCIATION

Stephen G. Slipher, 53, staff vice president and legislative director of the U.S. League of Savings Associations, died Saturday of cancer at his home, 5825 Rockmere Dr., Sumner, Md.

He had been head of the Washington operations of the League, formerly the U.S. Savings and Loan League, since 1949.

Mr. Slipher joined the Chicago-based organization in 1941. As the principal trade group for savings and loan associations, it has seen a vast expansion in the business from $17 billion to $260 billion in assets.

Mr. Slipher was known on Capitol Hill as the "dean" of housing and financial representatives. The League was once referred to by President John F. Kennedy as "the most powerful lobby in Washington."

One of Mr. Slipher's jobs was to put out a weekly newsletter, "Washington Notes," considered an authoritative publication in the savings and loan field.

Born in Lafayette, Ind., Mr. Slipher grew up in Columbus, Ohio. He was a graduate of Indiana University and also took graduate work at Northwestern University. He served on the economics faculty at DePaul University in Chicago and taught at the American Savings and Loan Institute.

A Navy veteran of World War II, he had participated in the Normandy invasion in Europe and also served in the Pacific.

Mr. Slipher was a member of the American Legion, the Congressional Country Club, the University Club, the Capitol Hill Club, the National Press Club, the Metropolitan Washington Board of Trade and the American Society of Association Executives.

He was a past chancellor of the Exchequer Club and a founder of 116 Club on Capitol Hill.

He is survived by his wife, Catherine, and two sons, Paul and Jeffrey, of the home; his father, John A., of Columbus, and a sister, Elizabeth Barry, of Wilwaukee.

The family suggests that expressions of sympathy be in the form of contributions to the American Cancer Society.

NOT A TIME FOR NEW ANTIGUN LAWS

(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, with a new Attorney General about to take over at the Department of Justice, it is hoped by many that a disturbing trend set by some of his predecessors will be halted and that efforts to curtail the right of law-abiding citizens to own firearms for legitimate purposes will be dropped.

A recent report by the National Advisory Commission on Criminal Justice Standards and Goals was a thinly veiled attempt to convince the American people that law-abiding citizens with guns are major contributors to crime in this country.

It proposed the manufacture and sale of handguns be terminated and that existing handguns be confiscated by the Government. The report cited the assassination of Senator Kennedy, the attempted assassination of Governor Wallace, and the wounding of Senator STENNIS as examples of how handguns are used illegally. What the report did not state was that if existing laws had been adequately enforced, none of these three events need have happened.

What is so disturbing about the Commission report was word from the Department of Justice that new legislation is being drawn up which would further restrict the right of law-abiding citizens to own handguns. This would represent a complete turnabout of the commonsense attitude shown by agencies of this administration for the past 4 years on the subject of gun controls.

Taking guns from those who obey the law will not mean guns will be deprived to lawbreakers. But gun owners who also believe in the enforcement of laws are appalled at suggestions they be stripped of their guns while criminals are roaming the streets with weapons procured illegally or stolen or not surrendered under new gun control laws.

The new Attorney General soon will have the opportunity to demonstrate his position on gun control. Hopefully it will be consistent with the reasonable view that the enforcement of laws already on the statute books through apprehension and punishment of criminals will accomplish far more to stem crime than the enactment of new antigun laws. As long as criminals are petted and pampered by the courts, crime will not diminish no matter what is done about handgun laws.

GENERAL LEAVE

Mr. TOWELL of Nevada. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order given by the gentleman from Illinois (Mr. DERWINSKI) on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOLEY (at the request of Mr. O'NEILL), for today and November 27, on account of illness in family.

Mr. PEPPER (at the request of Mr. O'NEILL), for today, 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. TOWELL of Nevada) to revise and extend their remarks and include extraneous material:)

Mr. DERWINSKI, for 30 minutes, today.
Mr. BAKER, for 20 minutes, today.
Mr. ASHBROOK, for 30 minutes, today.
Mr. FREY, for 60 minutes, December 4, 1973.
Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. GINN) to revise and extend their remarks and include extraneous material:)

Mr. DENT, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. REUSS, for 30 minutes, today.
Mr. OWENS, for 20 minutes, today.
Mr. FUQUA, for 5 minutes, today.
Mr. COTTER, for 5 minutes, today.
Mr. MATSUNAGA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. TOWELL of Nevada) and to include extraneous matter:)

Mr. DERWINSKI in three instances.
Mr. FORSYTHE.
Mr. BROYHILL of Virginia.
Mr. ESCH.
Mr. YOUNG of Illinois in two instances.
Mr. WYMAN in two instances.
Mr. ROBISON of New York.
Mr. BURKE of Florida.
Mr. SANDMAN.
Mr. RAILSBACK in two instances.
Mr. SHOUP.
Mr. ROUSSELOT.
Mr. REGULA.
Mr. FROEHLICH.
Mr. KEMP in two instances.
Mr. MCCLORY.
Mr. WALSH.
Mrs. HECKLER of Massachusetts.
Mr. CHAMBERLAIN.

(The following Members (at the request of Mr. GINN) and to revise and extend their remarks:)

Mr. O'NEILL.
Mr. BOLLING.
Mr. ANNUNZIO in six instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. NICHOLS.
Mr. CARNEY of Ohio in two instances.
Mr. VANIK in two instances.
Mr. MCSPADDEN in four instances.
Mr. HAMILTON in 10 instances.
Mr. ROSTENKOWSKI.
Mr. HARRINGTON in four instances.
Mr. EDWARDS of California in three instances.
Mr. ZABLOCKI in two instances.

SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 97. An act for the relief of Jose A. Seradilla; to the Committee on the Judiciary;

S. 663. An act to improve judicial machinery by amending title 28, United States Code, with respect to judicial review of decisions of the Interstate Commerce Commission, and for other purposes; to the Committee on the Judiciary;

S. 928. An act to create a catalog of Federal assistance programs, and for other purposes; to the Committee on Government Operations;

S. 1038. An act to amend title 37, United States Code, to authorize travel and transportation allowances to certain members of the uniformed services in connection with leave; to the Committee on Armed Services;

S. 1206. An act for the relief of Concepcion Velasquez Rivas; to the Committee on the Judiciary;

S. 1398. An act to authorize the Secretary of the Treasury to transfer to the Government of the Republic of the Philippines funds for making payments on certain pre-1934 bonds of the Philippines, and for other purposes; to the Committee on Foreign Affairs;

S. 1418. An act to recognize the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions of the Organization of the Executive Branch, and his services as 31st President of the United States, and in commemoration of the 100th anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace; to the Committee on Education and Labor;

S. 1673. An act for the relief of Mrs. Zosima Telebanco Van Zanten; to the Committee on the Judiciary;

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt); to the Committee on the Judiciary;

S. 2267. An act to amend section 303(b) of the Interstate Commerce Act to remove certain restrictions upon the application and scope of the exemption provided therein, and for other purposes; to the Committee on Interstate and Foreign Commerce;

S. 2299. An act to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes; to the Committee on Government Operations;

S. 2551. An act to authorize the disposal of molybdenum from the national stockpile, and for other purposes; to the Committee on Armed Services;

S. 2714. An act to amend section 291(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, relating to cost-of-living increases, and to increase the pay and allowances of certain officers of the Armed Forces whose pay and allowances are not subject to adjustment to reflect changes in the Consumer Price Index; to the Committee on Armed Services;

S.J. Res. 40. Joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1976; to the Committee on Education and Labor;

S.J. Res. 126. Joint resolution to authorize and request the President to issue annually a proclamation designating the fourth Sunday in May of each year as "Grandparents Day"; to the Committee on the Judiciary;

S.J. Res. 168. Joint resolution to authorize the President to designate the period from February 10, 1974, through February 16, 1974, as "National Nurse Week"; to the Committee on the Judiciary; and

S. Con. Res. 57. Concurrent resolution expressing the sense of the Congress that housing, housing assistance, and community development programs authorized by Congress should be carried out at levels at least equal to the levels prevailing in calendar year 1972, until such time as funds appropriated for such programs are exhausted or the Congress enacts legislation terminating or replacing such programs; to the Committee on Banking and Currency.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1353. An act for the relief of Toy Louie Lin Heong;

H.R. 1356. An act for the relief of Ann E. Shepherd;

H.R. 1367. An act for the relief of Bertha Alicia Sierra;

H.R. 1463. An act for the relief of Amilia Majowicz;

H.R. 1696. An act for the relief of Sun Hwa Koo Kim;

H.R. 1955. An act for the relief of Rosa Ines D'Elia;

H.R. 2513. An act for the relief of Jose Carlos Recalde Martorella;

H.R. 2628. An act for the relief of Anka Kosanovic;

H.R. 3207. An act for the relief of Mrs. Enid R. Pope;

H.R. 3754. An act for the relief of Mrs. Bruna Turni, Graziella Turni, and Antonello Turni;

H.R. 5777. An act to require that reproductions and imitations of coins and political items be marked as copies or with the date of manufacture;

H.R. 6334. An act to provide for the uniform application of the position classification and general schedule pay rate provisions of title 5, United States Code, to certain employees of the Selective Service System;

H.R. 6828. An act for the relief of Edith E. Carrera;

H.R. 6829. An act for the relief of Mr. Jose Antonio Trias;

H.R. 7582. An act to amend title 10, United States Code, to entitle the Delegates in Congress from Guam and the Virgin Islands to make appointments to the service academies;

H.R. 8187. An act to amend section 2031(b)(1) of title 10, United States Code, to remove the requirement that a Junior Reserve Officer Training Corps unit at any institution must have a minimum number of physically fit male students;

H.R. 9474. An act to amend title 38, United States Code, to increase the monthly rates of disability and death pensions and dependency and indemnity compensation, and for other purposes;

H.R. 9575. An act to provide for the enlistment and commissioning of women in the Coast Guard Reserve, and for other purposes;

H.R. 10366. An act to amend title 10, United States Code, to remove the 4-year limitation on additional active duty that a nonregular officer of the Army or Air Force may be required to perform on completion of training at an educational institution;

H.R. 10369. An act to amend title 37, United States Code, to provide entitlement to round trip transportation to the home port for a member of the uniformed services on permanent duty aboard a ship being inactivated away from home port whose dependents are residing at the home port;

H.R. 10840. An act to amend the act of August 4, 1950 (64 Stat. 411), to provide salary increases for members of the police force of the Library of Congress;

H.R. 10937. An act to extend the life of the June 5, 1972, grand jury of the U.S. District Court for the District of Columbia; and

H.J. Res. 735. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy two citizens and subjects of the Empire of Iran.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2408. An act to authorize certain construction at military installations, and for other purposes; and

S. 2681. An act to authorize appropriations for the U.S. Information Agency.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following title:

On November 16, 1973:

H.R. 9295. To provide for the conveyance of certain lands of the United States to the State of Louisiana for the use of Louisiana State University.

On November 19, 1973:

H.R. 5777. To require that reproductions and imitations of coins and political items be marked as copies or with the date of manufacture;

H.R. 7582. To amend title 10, United States Code, to entitle the Delegates in Congress from Guam and the Virgin Islands to make appointments to the service academies;

H.R. 8187. To amend section 2031(b)(1) of title 10, United States Code, to remove the requirement that a Junior Reserve Officer Training Corps unit at any institution must have a minimum number of physically fit male students;

H.R. 1036. To amend title 10, United States Code, to remove the four-year limitation on additional active duty that a nonregular officer of the Army or Air Force may be required to perform on completion of training at an educational institution;

H.R. 10369. To amend title 37, United States Code, to provide entitlement to round trip transportation to the home port for a member of the uniformed services on permanent duty aboard a ship being inactivated away from home port whose dependents are residing at the home port; and

H.J. Res. 735. Authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy two citizens and subjects of the Empire of Iran.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 42 minutes), the House adjourned until tomorrow, Tuesday, November 27, 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:

1561. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the U.S. Secret Service of the Department of the Treasury for "Salaries and Expenses," for fiscal year 1974, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1562. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of the Interior for "Office of Oil and Gas" for fiscal year 1974, has been apportioned on basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1563. A letter from the Administrator of General Services, transmitting the semiannual report on the strategic and critical materials stockpiling program for the 6 months ended June 30, 1973, pursuant to section 4 of Public Law 79–520; to the Committee on Armed Services.

1564. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

1565. A letter from the Assistant Secretary of the Treasury, transmitting a report on the status of foreign credits by U.S. Government agencies as of December 31, 1972, pursuant to section 634(f) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1566. A letter from the Assistant Secretary of Defense (International Security Affairs), transmitting the views of the Department of Defense on the bill to authorize appropriations for U.S. participation in the International Ocean Exposition 1975; to the Committee on Foreign Affairs.

1567. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting notice of the approval of deferment of the construction repayment installments due the United States during 1974 and 1975 for irrigation facilities in the Kansas-Bostwick Irrigation District No. 2, Pick-Sloan Missouri Basin program, Kansas, pursuant to 73 Stat. 584; to the Committee on Interior and Insular Affairs.

1568. A letter from the President, National Academy of Sciences, transmitting copies of various panel reports developed under sponsorship of the Academy's Committee on Motor Vehicle Emissions during studies conducted under the provisions of section 6 of Public Law 91–604, concerning the technological feasibility of meeting light duty motor vehicle emission standards; to the Committee on Interstate and Foreign Commerce.

1569. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to enlarge the trial jurisdiction of U.S. magistrates to encompass additional misdemeanors; to the Committee on the Judiciary.

1570. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference claassification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

1571. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to amend the act of August 24, 1935 (commonly referred to as the "Miller Act") to provide for the inclusion of interest and legal fees in judgments granted on suits by subcontractors based upon payment bonds, and for other purposes; to the Committee on the Judiciary.

1572. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 13, 1973, submitting a report, together with accompanying papers and illustrations, on reformulation of the Sixes Bridge and

Verona projects in the Potomac River Basin, in response to a directive contained in the conference report, House of Representatives Report No. 92–1582, on Senate Bill 4018, Public Works for Rivers and Harbors, in two volumes (House Doc. No. 93–2); to the Committee on Public Works and ordered to be printed with illustration.

1573. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on Abbeville, S.C., to the Committee on Public Works.

1574. A letter from the Administrator of General Services, requesting the withdrawal of prospectus proposing the construction of a post office, courthouse, and Federal Office Building at Auburn, N.Y.; to the Committee on Public Works.

1575. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report covering the 6 months ended June 30, 1973, on research, development, test, and evaluation contracts and mobilization based contracts negotiated by NASA, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Astronautics.

1576. A letter from the Secretary of the Treasury, transmitting the annual report on the state of the finances of the U.S. Government for fiscal year 1973, pursuant to 31 U.S.C. 1027 (House Doc. No. 93–116); to the Committee on Ways and Means and ordered to be printed with illustrations.

RECEIVED FROM THE COMPTROLLER GENERAL

1577. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during October 1973, pursuant to 31 U.S.C. 1174; to the Committee on Government Operations.

1578. A letter from the Comptroller General of the United States, transmitting a report that educational laboratory and research and development center programs need to be strengthened; 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. BOLLING: Committee on Rules. House Resolution 715. Resolution providing for the consideration of H.R. 7130. A bill to amend the Rules of the House of Representatives and the Senate to improve congressional control over budgetary outlay and receipt totals, to provide for a legislative budget director and staff, and for other purposes (Rept. No. 93–652). Referred to the House Calendar.

Mr. DIGGS: Committee on the District of Columbia. H.R. 7218. A bill to improve the laws relating to the regulation of insurance companies in the District of Columbia; with amendment (Rept. No. 93–653). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 6186. A bill to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies; with amendment (Rept. No. 93–654). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 6758. A bill to permit the Capital Yacht Club of the District of Columbia to borrow money without regard to the usury laws of the District of Columbia; with amendment (Rept. No. 93–655). Referred to the Committee of the Whole House.

Mr. DIGGS: Committee on the District of Columbia. H.R. 10806. A bill to amend the District of Columbia Minimum Wage Act so as to enable airline employees to exchange days at regular rates of compensation, and for other purposes (Rept. No. 93–656). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 11238. A bill to amend the act of March 16, 1926 (relating to the Board of Public Welfare in the District of Columbia), to provide for an improved system of adoption of children in the District of Columbia, and for other purposes; with amendment (Rept. No. 93–657). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. H.R. 7130. A bill to amend the Rules of the House of Representatives and the Senate to improve congressional control over budgetary outlay and receipts totals, to provide for a legislative budget director and staff, and for other purposes; with amendment (Rept. No. 93–658). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 11010. A bill to assure opportunities for employment and training to unemployed and underemployed persons; with amendment (Rept. No. 93–659). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 11576. A bill making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93–663). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 11575. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93–662). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUNGATE: Committee on the Judiciary. H.R. 11401. A bill to provide for, and assure the independence of, a Special Prosecutor, and for other purposes with amendment (Rept. No. 93–660). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. S. 2641. An act to confer jurisdiction upon the district court of the United States of certain civil actions brought by the Senate Select Committee on Presidential Campaign Activities, and for other purposes (Rept. No. 93–661). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DON H. CLAUSEN:

H.R. 11554. A bill to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration in cooperation with the National Bureau of Standards, the National Science Foundation, the Secretary of Housing and Urban Development, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling; to the Committee on Science and Astronautics.

By Mr. DENNIS (for himself, Mr. McCLORY, Mr. HUCHINSON, Mr. SMITH of New York, Mr. SANDMAN, Mr. MAYNE, Mr. HOGAN, Mr. BUTLER, Mr. COHEN, Mr. LOTT, Mr. MOORHEAD of California, Mr. FLOWERS, Mr. MARAZITI, and Mr. FISH):

H.R. 11555. A bill to define the powers and duties and to place restriction upon the grounds for the 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. COHEN (for himself, Mr. BURKE of Massachusetts, Ms. SCHROEDER, Mr. GUDE, Mr. PICKLE, Ms. HOLTZMAN, Mr. SEIBERLING, Mr. NICHOLS, Mr. TAYLOR of North Carolina, and Mr. CONTE):

H.R. 11556. 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. CONTE:

H.R. 11557. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

H.R. 11558. A bill to direct the President to halt all exports of gasoline distillate fuel oil, and propane gas until he determines that no stortage of such fuels exists in the United States; to the Committee on Banking and Currency.

By Mr. DE LUGO (for himself, Mr. WON PAT, Mr. BURTON, Mr. DON H. CLAUSEN, and Mr. REGULA):

H.R. 11559. A bill to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 11560. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand; to the Committee on Banking and Currency.

By Mr. EILBERG:

H.R. 11561. A bill to provide loans for air transportation expenses to the United States or the remains of U.S. citizens who die abroad, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FORSYTHE:

H.R. 11562. A bill to provide emergency security assistance authorizations for Israel; to the Committee on Foreign Affairs.

By Mr. HAMILTON:

H.R. 11563. 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. HECHLER of West Virginia:

H.R. 11564. A bill to amend the Clean Air Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOWARD (for himself, Mr. GROVER, Mr. CLEVELAND, Mr. SNYDER, Mr. MILFORD, Mr. ZION, Mr. BAKER, Mr. WALSH, Mr. COCHRAN, Mr. TAYLOR of Missouri, Mr. CLARK, Mr. DORN, Ms. ABZUG, Mr. BREAUX, Mr. STUDDS, and Mrs. BURKE of California):

H.R. 11565. A bill to insure that certain buildings financed with Federal funds utilize the best practicable technology for the conservation and use of energy; to the Committee on Public Works.

By Mr. LEHMAN:

H.R. 11566. A bill to direct the Secretary of Commerce to research and develop new building designs and construction methods which utilize solar energy and to authorize the Secretary of Housing and Urban Development to increase the maximum amount of mortgages insured under title II of the National Housing Act for certain facilities utilizing solar energy; to the Committee on Banking and Currency.

By Mr. LUJAN:

H.R. 11567. A bill to provide, in cooperation with the States, benefits to individuals

who are totally disabled due to employment-related respiratory disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their deaths; to the Committee on Education and Labor.

H.R. 11568. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McDADE:

H.R. 11569. A bill to prohibit the use of interstate facilities, including the mails, for the transportation of certain materials to minors; to the Committee on the Judiciary.

By Mr. REUSS (for himself and Mr. MOORHEAD of Pennsylvania):

H.R. 11570. A bill to establish a program of community development and housing grants and to provide assistance to State development agencies relating to housing and urban development activities; to the Committee on Banking and Currency.

By Mr. ROSENTHAL:

H.R. 11571. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. SHOUP:

H.R. 11572. A bill to provide for the imposition of an embargo on the shipment of goods and materials to Arab nations; to the Committee on Banking and Currency.

By Mr. WON PAT:

H.R. 11573. A bill to amend the Organic Act of Guam to place certain lands within the jurisdiction of the government of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HÉBERT (for himself, Mr. BRAY, Mr. PRICE, of Illinois, Mr. FISHER, Mr. BENNETT, Mr. STRATTON, Mr. PIKE, Mr. ICHORD, Mr. NEDZI, Mr. ARENDS, Mr. BOB WILSON, and Mr. GUBSER):

H.J. Res. 831. Joint resolution authorizing the President to designate the nuclear-powered aircraft carrier CVN–70 as the U.S.S. *Carl Vinson;* to the Committee on Armed Services.

By Mr. CONTE:

H. Res. 716. Resolution to provide for the conservation of energy by reducing the number of operational days and hours in Federal buildings and offices; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON of New Jersey:

H. Res. 717. Resolution providing for printing of additional copies of legislative hearings entitled "Jointly Administered Legal Services Plans"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CONABLE introduced a bill (H.R. 11574) for the relief of Edward Drag, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

356. By the SPEAKER, Petition of the city council, Philadelphia, Pa., relative to amending the Elementary and Secondary Education Act; to the Committee on Education and Labor.

357. Also, petition of the city council, Philadelphia, Pa., relative to an accounting of the servicemen missing in action in Southeast Asia; to the Committee on Foreign Affairs.

358. Also, petition of Dr. Tsung-Po Kuo, Kaohsiung Medical College, Taiwan, China, relative to the Republic of China; to the Committee on Foreign Affairs.

359. Also, petition of the U.S. Jaycees, Tulsa, Okla., relative to alcohol abuse and alcoholism prevention; to the Committee on Interstate and Foreign Commerce.

360. Also, petition of the common council, Buffalo, N.Y., relative to daylight saving time; to the Committee on Interstate and Foreign Commerce.

361. Also, petition of the Suffolk County Legislature, N.Y., relative to daylight saving time; to the Committee on Interstate and Foreign Commerce.

362. Also, petition of Herman Howlery, Menard, Ill., relative to redress of grievances; to the Committee on the Judiciary.

363. Also, petition of members of the Trade Union Committee for Action and Democracy, Berkeley, Calif., relative to impeachment of the President; to the Committee on the Judiciary.

364. Also, petition of Ralph Boryszewski, Rochester, N.Y., relative to impeachment of the President; to the Committee on the Judiciary.

SENATE—*Monday, November 26, 1973*

The Senate met at 12 o'clock meridian and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of grace and goodness, we pray that as we work this day our souls may be sanctuaries of Thy presence, Thy peace, and Thy power. We seek Thee because Thou has first sought us and bid us come to Thee. Hold us fast lest we go astray. Amid all that is sinful and ugly in this world, help us ever to remember Thou hast conquered evil and provided forgiveness and healing. Help us to give our first loyalty to Thee knowing that all lesser loyalties will be fulfilled in fidelity to the supreme loyalty. May the vision of the Founding Fathers never be dimmed by any dark moments. With hearts still aglow with the idealism of the past, may we be partners with Thee in bringing to fulfillment the kingdom of brotherhood and peace.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 26, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon took the chair as Acting President pro tempore.

REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of November 21, 1973, the following reports of a committee were submitted on November 21, 1973:

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 11104. An act to provide for a temporary increase of $10,700,000,000 in the public debt limit and to extend the period to which this temporary limit applies to June 30, 1974 (Rept. No. 93–552).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 3153. An act to amend the Social Security Act to make certain technical and conforming changes (Rept. No. 93–553).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, November 21, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on November 16, 1973, the President had approved and signed the following acts:

S. 1081. An act to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes; and

S. 2410. An act to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ROBERT C. BYRD) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees; and a message withdrawing the nomination of Col. Leonard F. Stegman, 214–58–9162, U.S. Army, for temporary appointment in the Army of the United States to the grade of brigadier general, which was sent to the Senate on October 10, 1973.

(The nominations received today are printed at the end of the Senate proceedings.)