United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Friday, November 30, 1973*

The House met at 12 o'clock noon.

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

I beseech you to lead a life worthy of the calling to which you have been called.—Ephesians 4: 1.

O God, our Father, facing responsibilities that seem greater than our ability to handle adequately and wondering what we should do, we bow at the altar of prayer, praying for insight to see the way we should go, for courage to walk in that way, and for strength to continue until our work is done. Keep our vision clear, our hearts clean, and our spirits confident amid all the trials of our troubled world.

Lead, Kindly Light, amid the encircling gloom, lead Thou us on to the realm where peace and good will shall reign, where righteousness and justice shall rule the hearts of people, and where our free land shall be as triumphant in truth as she is princely in power.

In the spirit of Him who is the way, we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 1328. An act for the relief of M. Sgt. Eugene J. Mikulenka, U.S. Army, retired;

H.R. 1948. An act for the relief of Edgar P. Faulkner and Ray H. New;

H.R. 1949. An act for the relief of Hazel W. Lawson and Lloyd C. Johnson;

H.R. 2207. An act for the relief of Joseph C. Leeba;

H.R. 2213. An act for the relief of Cornelius S. Ball, Victor F. Mann, Jr., George J. Posner, Dominick A. Sgammato, and James R. Walsh;

H.R. 3044. An act for the relief of James Evans, publisher of the Colfax County Press, and Morris Odvarka;

H.R. 3530. An act for the relief of Eugenia C. Lyttle;

H.R. 3751. An act for the relief of James E. Fry, Jr., and Margaret E. Fry;

H.R. 4175. An act for the relief of Manuel H. Silva;

H.R. 4448. An act for the relief of 1st Lt. John P. Dunn, Army of the United States, retired;

H.R. 8406. An act for the relief of William M. Starrs; and

H.R. 9276. An act for the relief of Luther V. Winstead.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6768) entitled "An act to provide for participation by the United States in the United Nations environment program."

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

H.R. 1316. An act for the relief of Claude V. Alcorn and 21 others.

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

S. 724. An act for the relief of Marcos Rojos Rodriguez;

S. 774. An act for the relief of Arline Loader and Maurice Loader; and

S. 1922. An act for the relief of Robert J. Martin.

PERMISSION TO FILE FURTHER CONFERENCE REPORT ON H.R. 8877, DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, FISCAL YEAR 1974

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

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

There was no objection.

CONFERENCE REPORT (H.R. REPT. No. 93-682)

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

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

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

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

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

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

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

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

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

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

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

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ment insert "$159,447,000"; and the Senate agree to the same.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,500,000"; and the Senate agree to the same.

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

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

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

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

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

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

The committee of conference report in disagreement amendments numbered 1, 11, 16, 18, 32, 48, 51, 57, 62, 68, 75, 79 and 81.

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
EDITH GREEN,
GEORGE MAHON,
ROBERT H. MICHEL,
GARNER E. SHRIVER,
SILVIO O. CONTE,
J. K. ROBINSON,
E. A. CEDERBERG,
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN L. MCCLELLAN,
ALAN BIBLE,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS
(except as to amendment 32),
THOMAS F. EAGLETON,
NORRIS COTTON,
MILTON R. YOUNG,
CLIFFORD P. CASE
(except as to amendment 1),
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS
(except for amendment 1—I would except title I),
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

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

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment which will provide that sums appropriated in the bill shall be made available for expenditure except that not to exceed $400,000,000, including not more than 5 per centum of the amount specified in any appropriation provision contained in this Act or any activity, program, or project within such appropriation may be withheld from obligation and expenditure.

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

The effect of the proposed amendment will be to authorize the President to withhold from obligation and expenditure up to $400,000,000 of the amounts appropriated in the bill with the reduction to be distributed on a pro rata basis among the controllable appropriations, activities, programs, and projects for which the amounts in the bill exceed the budget request, with the restriction that none of these appropriations, activities, programs, and projects may be reduced by more than 5 percent. This provision is permissive, not mandatory. It does not require withholding of any of the funds appro-

priated. If the discretion to withhold funds is fully exercised, the amounts provided in the bill will exceed the budget request by approximately $978 million.

The conferees are agreed that, to the extent not made inapplicable due to the reduction in funds from the amounts contained in the House, Senate, and conference bills, the departments and agencies provided for in this bill are expected to be guided by the instructions, directions, and suggestions contained in the House and Senate reports and the Joint Explanatory Statement of the Committee of Conference.

The following table reflects the amounts which the conferees are agreed shall be made available, if the option to withhold funds is fully exercised.

TITLE I—DEPARTMENT OF LABOR

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
Total, new budget (obligational) authority, Department of Labor	$786,861,000	$827,535,000	$830,682,000	$787,690,000	$787,690,000

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

Mental health:					
1. General mental health:					
(a) Research	$80,489,000	$89,289,000	$89,289,000	$89,289,000	$84,824,000
(b) Training	71,876,000	110,000,000	110,000,000	110,000,000	104,500,000
(c) Community programs:					
(1) Construction of centers		15,000,000	20,000,000	15,000,000	14,250,000
(2) Staffing of centers	472,000,000	163,698,000	163,698,000	163,698,000	155,513,000
(3) Mental health of children	46,000,000	20,000,000	20,000,000	20,000,000	19,000,000
Subtotal	518,000,000	198,698,000	203,698,000	198,698,000	188,763,000
(d) Management and information	21,355,000	21,355,000	21,355,000	21,355,000	21,355,000
Subtotal	691,720,000	419,342,000	424,342,000	419,342,000	399,442,000
2. Drug abuse:					
(a) Research	36,739,000	36,739,000	36,739,000	36,739,000	36,739,000
(b) Training	15,182,000	15,182,000	15,182,000	15,182,000	15,182,000
(c) Community programs:					
(1) Project grants and contracts	365,970,000	160,770,000	160,770,000	160,770,000	160,770,000
(2) Grants to States	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Subtotal	380,970,000	175,770,000	175,770,000	175,770,000	175,770,000
(d) Management and information	15,578,000	15,578,000	15,578,000	15,578,000	15,578,000
Subtotal	448,469,000	243,269,000	243,269,000	243,269,000	243,269,000
3. Alcoholism:					
(a) Research	6,901,000	8,901,000	8,901,000	8,901,000	8,456,000
(b) Training	3,763,000	,763,000	9,763,000	7,263,000	6,900,000
(c) Community programs:					
(1) Project grants and contracts	87,000,000	65,322,000	85,322,000	75,322,000	71,556,000
(2) Grants to States	30,000,000	40,000,000	60,000,000	48,000,000	45,600,000
Subtotal	117,000,000	105,322,000	145,322,000	123,322,000	117,156,000
(d) Management and information	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000
Subtotal	133,099,000	124,421,000	169,42 ,000	144,92 ,000	137,947,000
4. Program direction	8,443,000	8,443,000	8,443,000	8,443,000	8,443,000
Total	1,281,731,000	795,475,000	845,475,000	815,975,000	789,101,000
St. Elizabeths Hospital	38,000,000	38,000,000	38,000,000	38,000,000	38,000,000
Health services planning and development:					
1. Health services research and development	60,278,000	64,778,000	64,778,000	64,778,000	61,540,000
2. Comprehensive health planning	38,327,000	38,327,000	38,327,000	38,327,000	38,327,000
3. Regional medical programs		81,953,000	81,953,000	81,953,000	77,855,000
4. Medical facilities construction:					
(a) Construction grants:					
(1) Hospitals and public health centers		41,400,000	41,400,000	41,400,000	39,330,000
(2) Long-term care facilities		20,800,000	20,800,000	20,800,000	19,760,000
(3) Outpatient facilities		70,000,000	70,000,000	70,000,000	66,500,000
(4) Rehabilitation facilities		15,000,000	15,000,000	15,000,000	14,250,000
(5) Modernization		50,000,000	50,000,000	50,000,000	47,500,000
Subtotal		197,200,000	197,200,000	197,200,000	187,340,000
(b) Direct operations	2,476,000	3,272,000	3,272,000	3,272,000	3,109,000
Subtotal	2,476,000	200,472,000	200,472,000	200,472,000	190,449,000
5. Program direction	2,000,000	2,990,000	2,990,000	2,990,000	2,840,000
Total	103,081,000	388,520,000	388,520,000	388,520,000	371,011,000
Health services delivery:					
1. Comprehensive health services:					
(a) Grants to States	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
(b) Project grants	211,100,000	211,100,000	220,100,000	211,100,000	211,100,000
(c) Migrant health grants	23,750,000	23,750,000	25,000,000	25,000,000	23,750,000
(d) Direct operations	22,133,000	22,133,000	22,133,000	22,133,000	22,133,000
Subtotal	346,983,000	346,983,000	357,233,000	348,233,000	346,983,000
2. Maternal and child health:					
(a) Grants to States	217,951,000	217,951,000	125,678,000	125,678,000	125,678,000
(b) Project grants			92,273,000	92,273,000	92,273,000
(c) Research and training	21,917,000	21,917,000	23,917,000	21,917,000	21,917,000
(d) Direct operations	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000
Subtotal	244,208,000	244,208,000	246,208,000	244,208,000	244,208,000
3. Family planning services:					
(a) Grants and contracts	119,615,000	119,615,000	119,615,000	119,615,000	119,615,000
(b) Direct operations	2,610,000	2,610,000	2,610,000	2,610,000	2,610,000
Subtotal	122,225,000	122,225,000	122,225,000	122,225,000	122,225,000
4. National Health Service Corps	11,000,000	11,000,000	13,000,000	13,000,000	12,350,000
5. National Health Service Scholarships	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
6. Patient care and special health services	98,961,000	98,961,000	98,961,000	98,961,000	98,961,000
7. Public Health Service hospital construction			29,100,000	18,000,000	17,100,000
8. Regional office, central staff	5,602,000	5,602,000	5,602,000	5,602,000	5,602,000
9. Program direction	5,470,000	5,470,000	5,470,000	5,470,000	5,470,000
Less: Trust fund transfer	−5,419,000	−5,419,000	−5,419,000	−5,419,000	−5,419,000
Total	832,030,000	832,030,000	875,380,000	853,280,000	850,480,000

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION—Continued					
Preventive health services:					
1. Disease control:					
(a) Infectious diseases:					
(1) Research grants			$1, 215, 000		
(2) Project grants	$31, 000, 000	$31, 000, 000	31, 585, 000	$31, 585, 000	$31, 000, 000
(3) Direct operations	34, 667, 000	36, 667, 000	36, 667, 000	36, 667, 000	34, 834, 000
Subtotal	65, 667, 000	67, 667, 000	69, 467, 000	68, 252, 000	65, 834, 000
(b) Nutritional and chronic diseases	900, 000	900, 000	900, 000	900, 000	900, 000
(c) Laboratory improvement	7, 892, 000	7, 892, 000	8, 092, 000	8, 092, 000	7, 892, 000
Subtotal	74, 459, 000	76, 459, 000	78, 459, 000	77, 244, 000	74, 626, 000
2. Community environmental management:					
(a) Grants	19, 600, 000	19, 600, 000	21, 500, 000	20, 500, 000	19, 600, 000
(b) Direct operations	1, 500, 000	1, 500, 000	2, 300, 000	2, 300, 000	2, 300, 000
Subtotal	21, 100, 000	21, 100, 000	23, 800, 000	22, 800, 000	21, 900, 000
3. Occupational health:					
(a) Grants	2, 252, 000	2, 252, 000	2, 252, 000	2, 252, 000	2, 252, 000
(b) Direct operations	23, 348, 000	23, 348, 000	33, 348, 000	28, 348, 000	26, 930, 000
Subtotal	25, 600, 000	25, 600, 000	35, 600, 000	30, 600, 000	29, 182, 000
4. Program direction	3, 921, 000	3, 921, 000	3, 921, 000	3, 921, 000	3, 921, 000
Total	125, 080, 000	127, 080, 000	141, 780, 000	134, 565, 000	129, 629, 000
National health statistics	22, 821, 000	22, 821, 000	19, 335, 000	19, 335, 000	19, 335, 000
Retirement pay and medical benefits for commissioned officers	34, 103, 000	34, 103, 000	34, 103, 000	34, 103, 000	34, 103, 000
Buildings and facilities	12, 000, 000	9, 500, 000	9, 500, 000	9, 500, 000	9, 500, 000
Office of the Administrator	14, 304, 000	14, 304, 000	7, 304, 000	12, 000, 000	12, 000, 000
Total, Health Services and Mental Health Administration	2, 463, 150, 000	2, 261, 833, 000	2, 359, 397, 000	2, 305, 278, 000	2, 253, 159, 000
NATIONAL INSTITUTES OF HEALTH					
National Cancer Institute	500, 000, 000	522, 383, 000	580, 000, 000	551, 191, 500	523, 632, 000
National Heart and Lung Institute	265, 000, 000	281, 415, 000	320, 000, 000	302, 915, 000	287, 770, 000
National Institute of Dental Research	38, 452, 000	44, 131, 000	47, 000, 000	45, 565, 500	43, 288, 000
National Institute of Arthritis, Metabolism and Digestive Diseases	133, 608, 000	155, 894, 000	163, 000, 000	159, 447, 000	151, 475, 000
National Institute of Neurological Diseases and Stroke	101, 198, 000	120, 073, 000	125, 000, 000	125, 000, 000	118, 750, 000
National Institute of Allergy and Infectious Diseases	98, 693, 000	112, 744, 000	114, 000, 000	114, 000, 000	108, 300, 000
National Institute of General Medical Sciences	138, 573, 000	175, 778, 000	183, 500, 000	176, 778, 000	167, 940, 000
National Institute of Child Health and Human Development	106, 679, 000	125, 254, 000	135, 254, 000	130, 254, 000	123, 742, 000
National Eye Institute	32, 092, 000	36, 631, 000	46, 631, 000	41, 631, 000	39, 550, 000
National Institute of Environmental Health Sciences	25, 263, 000	28, 879, 000	28, 879, 000	28, 879, 000	27, 436, 000
Research Resources	88, 632, 000	133, 322, 000	134, 000, 000	133, 472, 000	126, 800, 000
John E. Fogarty International Center	3, 586, 000	4, 767, 000	4, 767, 000	4, 767, 000	4, 530, 000
Total, Research Institutes	1, 531, 776, 000	1, 741, 271, 000	1, 882, 031, 000	1, 813, 900, 000	1, 723, 213, 000
Health manpower:					
1. Health professions support:					
(a) Institutional assistance:					
(1) Capitation grants:					
(i) MOD	152, 500, 000	152, 500, 000	152, 500, 000	152, 500, 000	152, 500, 000
(ii) VOPP		34, 777, 000	34, 777, 000	34, 777, 000	33, 038, 000
(2) Start-up and conversion assistance	6, 000, 000	6, 000, 000	6, 000, 000	6, 000, 000	6, 000, 000
(3) Financial distress grants	10, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000
(4) Special projects	34, 000, 000	53, 000, 000	55, 000, 000	53, 500, 000	50, 826, 000
Subtotal	202, 500, 000	256, 277, 000	258, 277, 000	256, 777, 000	252, 364, 000
(b) Student assistance:					
(1) Direct loans	36, 000, 000	36, 000, 000	36, 000, 000	36, 000, 000	36, 000, 000
(2) Scholarships	10, 000, 000	15, 500, 000	17, 500 000	17, 500, 000	16, 626, 000
(3) Loan repayments	400, 000	400, 000	400, 000	400, 000	400, 000
Subtotal	46, 400, 000	51, 900, 000	53, 900, 000	53, 900, 000	53, 026, 000
(c) Construction assistance:					
(1) Grants		100, 000, 000	100, 000, 000	100, 000, 000	95, 000, 000
(2) Interest subsidies	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000
Subtotal	1, 000, 000	101, 000, 000	101, 000, 000	101, 000, 000	96, 000, 000
(d) Dental health activities	12, 991, 000	14, 979, 000	14, 979, 000	14, 979, 000	14, 231, 000
(e) Educational assistance	5, 000, 000	9, 320, 000	14, 320, 000	10, 000, 000	9, 500, 000
(f) Direct operations	3, 313, 000	3, 313, 000	3, 313, 000	3, 313, 000	3, 313, 000
Subtotal	271, 204, 000	436, 789, 000	445, 789, 000	439, 969, 000	428, 434, 000
2. Nursing support:					
(a) Institutional assistance:					
(1) Capitation grants		33, 800, 000	38, 500, 000	36, 150, 000	34, 343, 000
(2) Financial distress grants		5, 000, 000	10, 000, 000	5, 000, 000	4, 750, 000
(3) Special projects	15, 000, 000	20, 000, 000	22, 600, 000	20, 000, 000	19, 000, 000
Subtotal	15, 000, 000	58, 800, 000	71, 100, 000	61, 150, 000	58, 093, 000
(b) Student assistance:					
(1) Direct loans	21, 000, 000	24, 000, 000	24, 000, 000	24, 000, 000	22, 800, 000
(2) Scholarships	11, 000, 000	19, 500, 000	21, 500, 000	20, 500, 000	19, 476, 000
(3) Traineeships		11, 500, 000	15, 900, 000	13, 700, 000	13, 016, 000
(4) Loan repayments	1, 600, 000	1, 600, 000	1, 600, 000	1, 600, 000	1, 600, 000
Subtotal	33, 600, 000	56, 600, 000	63, 000, 000	59, 800, 000	56, 892, 000
(c) Construction assistance:					
(1) Grants		20, 000, 000	20, 000, 000	20, 000, 000	19, 000, 000
(2) Interest subsidies	1, 000, 000	1, 000, 000	1, 000, 000	1, 0000, 00	1, 000, 000
Subtotal	1, 000, 000	21, 000, 000	21, 000, 000	21, 000, 000	20, 000, 000
(d) Educational assistance		7, 569, 000	9, 720, 000	7, 569, 000	7, 191, 000
(e) Direct operations	3, 348, 000	4, 119, 000	4, 119, 000	4, 119, 000	3, 914, 000
Subtotal	52, 948, 000	148, 088, 000	168, 939, 000	153, 638, 000	146, 090, 000

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
NATIONAL INSTITUTES OF HEALTH—Continued					
Health manpower—Continued					
3. Public health support:					
(a) Institutional assistance		$12,000,000	$12,000,000	$12,000,000	$11,400,000
(b) Student assistance		9,600,000	9,600,000	9,600,000	9,120,000
(c) Direct operations		631,000	631,000	631,000	600,000
Subtotal		22,231,000	22,231,000	22,231,000	21,120,000
4. Allied health support:					
(a) Institutional assistance		31,745,000	31,745,000	31,745,000	30,158,000
(b) Student assistance		3,750,000	3,750,000	3,750,000	3,563,000
(c) Educational assistance		1,359,000	1,359,000	1,359,000	1,292,000
(d) Direct operations		1,851,000	1,851,000	1,851,000	1,759,000
Subtotal		38,705,000	38,705,000	38,705,000	36,772,000
Special educational programs:					
(a) Educational initiative awards	$46,500,000	46,500,000	46,500,000	46,500,000	46,500,000
(b) Computer technology and educational assistance		3,000,000	3,000,000	3,000,000	2,850,000
(c) Direct operations	2,752,000	2,752,000	2,752,000	2,752,000	2,752,000
Subtotal	49,252,000	52,252,000	52,252,000	52,252,000	52,102,000
6. Program direction and manpower analysis	8,776,000	8,776,000	4,000,000	4,000,000	4,000,000
Total	382,180,000	706,841,000	731,916,000	710,795,000	688,518,000
National Library of Medicine	24,994,000	25,871,000	25,871,000	25,871,000	24,994,000
Buildings and facilities	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Office of the Director	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Scientific activities overseas	1,912,000	1,912,000	1,912,000	1,912,000	1,912,000
Payment of sales insufficiencies and interest losses	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total, National Institutes of Health	1,964,862,000	2,499,895,000	2,665,730,000	2,576,478,000	2,462,637,000
EDUCATION DIVISION					
Assistant Secretary for Education:					
1. Improvement of post-secondary education	15,000,000	10,000,000	10,000,000	10,000,000	10,000,000
2. Salaries and expenses	1,852,000	1,722,000	1,722,000	1,722,000	1,722,000
Subtotal	16,852,000	11,722,000	11,722,000	11,722,000	11,722,000
OFFICE OF EDUCATION					
Elementary and secondary education:					
1. Aid to school districts:					
(a) Educationally deprived children	1,585,185,000	1,810,000,000	1,810,000,000	1,810,000,000	1,719,500,000
(b) Supplementary services:					
(1) State plan programs	126,306,000	126,306,000	126,306,000	126,306,000	126,306,000
(2) Special programs and projects	20,087,000	20,087,000	20,087,000	20,087,000	20,087,000
Subtotal	146,393,000	146,393,000	146,393,000	146,393,000	146,393,000
Subtotal	1,731,578,000	1,956,393,000	1,956,393,000	1,956,393,000	1,865,893,000
2. Strengthening State departments of education:					
(a) General support		33,000,000	40,000,000	36,500,000	34,675,000
(b) Comprehensive planning and evaluation		5,000,000	5,000,000	5,000,000	4,750,000
Subtotal		38,000,000	45,000,000	41,500,000	39,425,000
3. Bilingual education	35,000,000	45,000,000	55,000,000	53,000,000	50,350,000
4. Follow Through	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000
5. Equipment and minor remodeling		25,000,000	42,500,000	30,000,000	28,500,000
Total	1,807,578,000	2,105,393,000	2,139,893,000	2,121,893,000	2,025,168,000
School assistance in Federally affected areas:					
1. Maintenance and operations:					
(a) "A" Category payments	232,000,000	217,820,000	217,820,000	217,820,000	217,820,000
(b) "B" Category and other payments		331,680,000	355,480,000	331,680,000	315,096,000
(c) Payments to other Federal agencies	41,500,000	41,500,000	41,500,000	41,500,000	41,500,000
Subtotal	273,500,000	591,000,000	614,800,000	591,000,000	574,416,000
2. Construction	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Total	292,500,000	610,000,000	633,800,000	610,000,000	593,416,000
Emergency school aid:					
1. Special projects:					
(a) Metropolitan area projects	12,447,000				
(b) Bilingual education projects	9,958,000	9,958,000	9,958,000	9,958,000	9,958,000
(c) Educational television	7,468,000	7,468,000	7,468,000	7,468,000	7,468,000
(d) Special programs and projects	12,447,000	12,447,000	12,447,000	12,447,000	12,447,000
(e) Evaluation	2,489,000	2,489,000	2,489,000	2,489,000	2,489,000
Subtotal	44,809,000	32,362,000	32,362,000	32,362,000	32,362,000
2. State apportionment:					
(a) Pilot programs	37,341,000	37,341,000	37,341,000	37,341,000	37,341,000
(b) Special programs and projects	19,915,000	19,915,000	19,915,000	19,915,000	19,915,000
(c) General grants to local educational agencies	146,875,000	146,875,000	146,875,000	146,875,000	146,875,000
Subtotal	204,131,000	204,131,000	204,131,000	204,131,000	204,131,000
3. Training and advisory services	21,700,000	21,700,000	21,700,000	21,700,000	21,700,000
Total	270,640,000	258,193,000	258,193,000	258,193,000	258,193,000
Education for the handicapped:					
1. State grant program	37,500,000	50,000,000	50,000,000	50,000,000	47,500,000
2. Special target programs:					
(a) Deaf-blind centers	10,000,000	10,000,000	15,795,000	14,795,000	14,055,000
(b) Early childhood projects	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
(c) Specific learning disabilities	3,250,000	3,250,000	5,000,000	3,250,000	3,250,000
(d) Regional resource centers	7,243,000	7,243,000	7,243,000	7,243,000	7,243,000
Subtotal	32,493,000	32,493,000	40,038,000	37,288,000	36,548,000
3. Innovation and development	9,916,000	9,916,000	9,916,000	9,916,000	9,916,000
4. Technology and communications:					
(a) Media services and captioned films	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
(b) Recruitment and information	500,000	500,000	500,000	500,000	500,000
Subtotal	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
5. Special education and manpower development	37,700,000	37,700,000	45,615,000	41,700,000	39,615,000
Total	131,109,000	143,609,000	159,069,000	152,404,000	147,079,000

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
OFFICE OF EDUCATION—Continued					
Occupational, vocational and adult education:					
1. Grants to States for vocational education:					
(a) Basic vocational education programs:					
(1) Annual appropriation	$376,682,000	$426,682,000	$450,000,000	$426,682,000	$405,347,000
(2) National advisory councils	330,000	330,000	330,000	330,000	330,000
Subtotal	377,012,000	427,012,000	450,330,000	427,012,000	405,677,000
(b) Programs for students with special needs	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
(c) Consumer and homemaking education	25,625,000	25,625,000	40,000,000	32,625,000	30,994,000
(d) Work-study	6,000,000	6,000,000	10,524,000	8,262,000	7,849,000
(e) Cooperative education	19,500,000	19,500,000	19,500,000	19,500,000	19,500,000
(f) State advisory councils	2,690,000	3,204,000	3,204,000	3,204,000	3,044,000
Subtotal	450,827,000	501,341,000	543,558,000	510,603,000	487,064,000
2. Vocational research:					
(a) Innovation	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
(b) Curriculum development	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
(c) Research—Grants to States	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Subtotal	38,000,000	38,000,000	38,000,000	38,000,000	38,000,000
3. Career education	14,000,000				
4. Adult education:					
(a) Grants to States	51,300,000	51,300,000	60,000,000	56,300,000	53,485,000
(b) Special projects	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
(c) Teacher training	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Subtotal	61,300,000	61,300,000	70,000,000	66,300,000	63,485,000
Total	564,127,000	600,641,000	651,558,000	614,903,000	588,549,000
Higher education:					
1. Student assistance:					
(a) Grants and work-study:					
(1) Basic opportunity grants	959,000,000	440,500,000	600,000,000	500,000,000	475,000,000
(2) Supplementary opportunity grants		210,300,000	210,300,000	210,300,000	210,300,000
(3) Work-study	250,000,000	270,200,000	270,200,000	270,200,000	270,200,000
(4) State student incentive grants			30,000,000	20,000,000	19,000,000
Subtotal	1,209,000,000	921,000,000	1,110,500,000	1,000,500,000	974,500,000
(b) Cooperative education	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000
(c) Subsidized insured loans: Interest on insured loans	310,000,000	310,000,000	310,000,000	310,000,000	310,000,000
(d) Direct loans:					
(1) Federal capital contributions		285,000,000	286,000,000	286,000,000	286,000,000
(2) Loans to institutions		2,000,000	2,000,000	2,000,000	2,000,000
(3) Teacher cancellations	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Subtotal	5,000,000	293,000,000	293,000,000	293,000,000	293,000,000
Subtotal	1,534,750,000	1,534,750,000	1,724,250,000	1,614,250,000	1,588,250,000
2. Special programs for the disadvantaged:					
(a) Talent Search	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
(b) Special services in college	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
(c) Upward Bound	38,331,000	38,331,000	38,331,000	38,331,000	38,331,000
Subtotal	70,331,000	70,331,000	70,331,000	70,331,000	70,331,000
3. Institutional assistance:					
(a) Strengthening developing institutions	99,992,000	99,992,000	99,992,000	99,992,000	99,992,000
(b) Construction:					
(1) Subsidized loans	31,425,000	31,425,000	31,425,000	31,425,000	31,425,000
(c) Language training and area studies	1,360,000	12,360,000	13,860,000	13,360,000	12,693,000
(d) University community services		15,000,000	15,000,000	15,000,000	14,250,000
(e) Aid to land-grant colleges:					
(1) Annual appropriation		10,000,000	10,000,000	10,000,000	9,500,000
(f) State post-secondary education commissions	3,000,000	3,000,000	4,000,000	3,000,000	3,000,000
(g) Veterans cost-of-instruction		25,000,000	50,000,000	25,000,000	23,750,000
Subtotal	135,777,000	196,777,000	224,277,000	197,777,000	194,610,000
4. College personnel development:					
(a) College teacher fellowships	5,806,000	5,806,000	5,806,000	5,806,000	5,806,000
(b) Fellowships for disadvantaged	750,000	750,000	750,000	750,000	750,000
(c) Ellender fellowships	500,000	500,000	500,000	500,000	500,000
Subtotal	7,056,000	7,056,000	7,056,000	7,056,000	7,056,000
Total	1,747,914,000	1,808,914,000	2,025,914,000	1,889,414,000	1,860,247,000
Library resources:					
1. Public libraries:					
(a) Services		49,209,000	49,209,000	49,209,000	46,749,000
(b) Construction		9,500,000			
Subtotal		58,709,000	49,209,000	49,209,000	46,749,000
2. School library resources		90,000,000	100,000,000	95,000,000	90,250,000
3. College library resources:					
(a) College library resources		10,500,000	10,500,000	10,500,000	9,975,000
(b) Librarian training		3,000,000	3,000,000	3,000,000	2,850,000
(c) Library demonstrations		1,500,000	1,500,000	1,500,000	1,425,000
Subtotal		15,000,000	15,000,000	15,000,000	14,250,000
5. Undergraduate instructional equipment		12,500,000	12,500,000	12,500,000	11,875,000
Total		176,209,000	176,709,000	171,709,000	163,124,000
Educational development:					
1. Education professions development:					
(a) Teacher corps	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
OFFICE OF EDUCATION—Continued					
Educational development—Continued					
1. Education professions development—Continued					
(b) Elementary and secondary development:					
(1) Urban-rural	$9,522,000	$12,135,000	$12,135,000	$12,135,000	$11,529,000
(2) Career opportunities	21,353,000	23,572,000	23,572,000	23,572,000	22,394,000
(3) Categorical programs		13,841,000	8,841,000	8,841,000	8,399,000
(4) Exceptional children		4,112,000	4,112,000	4,112,000	3,907,000
Subtotal	30,875,000	53,660,000	48,660,000	48,660,000	46,229,000
(c) Vocational education		6,900,000	11,860,000	11,860,000	11,268,000
(d) New careers in education		300,000	300,000	300,000	286,000
(e) Higher education:					
(1) Institutes			3,000,000		
(2) Fellowships	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Subtotal	2,100,000	2,100,000	5,100,000	2,100,000	2,100,000
Subtotal	70,475,000	100,460,000	103,420,000	100,420,000	97,383,000
2. National priority programs:					
(a) Educational technology demonstrations:					
(1) Educational broadcasting facilities	13,000,000	13,000,000	20,000,000	16,500,000	15,675,000
(2) Sesame Street-Electric Company	3,000,000	3,000,000	5,000,000	3,000,000	3,000,000
Subtotal	16,000,000	16,000,000	25,000,000	19,500,000	18,675,000
(b) Drug abuse education	3,000,000	12,400,000	3,000,000	6,000,000	5,700,000
(c) Right to read	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
(d) Environmental education		4,000,000	2,000,000	2,000,000	1,900,000
(e) Nutrition and health		2,000,000	2,000,000	2,000,000	1,900,000
(f) Dropout prevention	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
(g) Ethnic heritage studies			5,000,000	2,500,000	2,375,000
Subtotal	35,000,000	50,400,000	53,000,000	48,000,000	46,550,000
3. Data systems improvement:					
(a) Educational statistics:					
(1) Surveys and special studies	7,400,000	4,250,000	4,250,000	4,250,000	4,250,000
(2) Common core of data	500,000				
Subtotal	7,900,000	4,250,000	4,250,000	4,250,000	4,250,000
(b) National achievement study	7,000,000	6,000,000	3,000,000	4,500,000	4,500,000
Subtotal	14,900,000	10,250,000	7,250,000	8,750,000	8,750,000
Total	120,375,000	161,110,000	163,670,000	157,170,000	152,683,000
Educational activities overseas: Special foreign currency program	3,000,000	2,000,000	1,000,000	1,000,000	1,000,000
Student loan insurance fund	57,883,000	57,883,000	57,883,000	57,883,000	57,883,000
Higher educational facilities loan & insurance fund:					
1. Participation sales insufficiencies	2,948,000	2,948,000	2,948,000	2,948,000	2,948,000
Salaries and expenses:					
1. Program administration	76,366,000	76,366,000	79,166,000	79,166,000	79,166,000
2. Planning and evaluation	10,205,000	5,205,000	5,205,000	5,205,000	5,205,000
3. General program dissemination	750,000	750,000			
4. Advisory committees	797,000	797,000	524,000	524,000	524,000
5. Indian Education			1,852,000	1,852,000	1,759,000
Total	88,118,000	83,118,000	86,747,000	86,747,000	86,654,000
Subtotal, Office of Education	5,086,192,000	6,010,018,000	6,357,384,000	6,124,264,000	5,936,944,000
National Institute of Education	162,197,000	142,671,000	75,000,000	75,000,000	75,000,000
Total, Education Division	5,265,241,000	6,164,411,000	6,444,106,000	6,210,986,000	6,023,666,000
SOCIAL AND REHABILITATION SERVICE					
Grants to States for public assistance:					
1. Maintenance assistance	5,528,546,000	5,528,546,000	5,486,777,000	5,486,777,000	5,486,777,000
2. Medical assistance	5,271,862,000	5,271,862,000	5,271,862,000	5,271,862,000	5,271,862,000
3. Social services	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
4. State and local training	44,640,000	44,640,000	44,640,000	44,640,000	44,640,000
5. Child welfare services	46,000,000	46,000,000	61,000,000	50,000,000	47,500,000
Total	12,891,048,000	12,891,048,000	12,864,279,000	12,853,279,000	12,850,779,000
Work incentives:					
1. Training	329,534,000	293,991,000	240,000,000	240,000,000	240,000,000
2. Child care	204,900,000	90,443,000	100,443,000	100,443,000	100,443,000
Total	534,434,000	384,434,000	340,443,000	340,443,000	340,443,000
Social and rehabilitation services:					
1. Grants for the developmentally disabled:					
(a) State grants	21,715,000	32,500,000	32,500,000	32,500,000	30,875,000
(b) Service projects	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
(c) University affiliated facilities	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Subtotal	31,965,000	42,750,000	42,750,000	42,750,000	41,125,000
2. Special programs for the aging:					
(a) Planning and operations	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
(b) Areawide projects	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
(c) Community programs	68,000,000	68,000,000	68,000,000	68,000,000	68,000,000
(d) Nutrition programs	99,600,000	99,600,000	110,000,000	104,800,000	99,600,000
Subtotal	195,600,000	195,600,000	206,000,000	200,800,000	195,600,000
3. Youth development and delinquency prevention	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
4. Research:					
(a) Research and demonstrations	15,467,000	15,467,000	15,467,000	15,467,000	15,467,000
(b) Income maintenance projects	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Subtotal	26,467,000	26,467,000	26,467,000	26,467,000	26,467,000
5. Training:					
(a) Community services		8,900,000	10,000,000	8,900,000	8,450,000
(b) Aging		8,000,000	12,000,000	10,000,000	9,500,000
Subtotal		16,900,000	22,000,000	18,900,000	17,950,000
Total	264,032,000	291,717,000	307,217,000	298,917,000	291,142,000

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
SOCIAL AND REHABILITATION SERVICE—Continued					
Research and training activities overseas	$4,000,000	$2,000,000			
Salaries and expenses	79,400,000	79,400,000	$70,600,000	$72,800,000	$72,800,000
Less: Trust fund transfer	−600,000	−600,000	−600,000	−600,000	−600,000
Total	78,800,000	78,800,000	70,000,000	72,200,000	72,200,000
Total, Social and Rehabilitation Service	13,772,314,000	13,647,999,000	13,581,939,000	13,564,839,000	13,554,564,000
SOCIAL SECURITY ADMINISTRATION					
Payments to Social Security Trust Funds:					
1. Matching payments for SMI	2,031,000,000	2,031,000,000	2,031,000,000	2,031,000,000	2,031,000,000
2. Hospital insurance for the uninsured	537,393,000	537,393,000	537,393,000	537,393,000	537,393,000
3. Military service credits	239,000,000	239,000,000	239,000,000	239,000,000	239,000,000
4. Retirement benefits for uninsured persons	302,788,000	302,788,000	302,788,000	302,788,000	302,788,000
Total	3,110,181,000	3,110,181,000	3,110,181,000	3,110,181,000	3,110,181,000
Special benefits for disabled coal miners	967,868,000	967,868,000	967,868,000	967,868,000	967,868,000
Supplemental security income	2,211,636,000	2,211,636,000	2,211,636,000	2,211,636,000	2,211,636,000
Limitation on salaries and expenses	(1,887,898,000)	(1,887,898,000)	(1,887,898,000)	(1,887,898,000)	(1,887,898,000)
Total Social Security Administration	6,289,685,000	6,289,685,000	6,289,685,000	6,289,685,000	6,289,685,000
SPECIAL INSTITUTIONS					
American Printing House for the Blind	1,817,000	1,817,000	1,817,000	1,817,000	1,817,000
National Technical Institute for the Deaf:					
1. Academic program	5,087,000	5,087,000	5,087,000	5,087,000	5,087,000
2. Construction	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Total	6,487,000	6,487,000	6,487,000	6,487,000	6,487,000
Model Secondary School for the Deaf:					
1. Academic program	3,975,000	3,962,000	3,975,000	3,975,000	3,975,000
Total	3,975,000	3,962,000	3,975,000	3,975,000	3,975,000
Gallaudet College:					
1. Academic program	8,607,000	8,500,000	8,607,000	8,607,000	8,607,000
2. Kendall School	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000
Total	10,599,000	10,492,000	10,599,000	10,599,000	10,599,000
Howard University:					
1. Academic program	43,664,000	42,948,000	43,664,000	43,664,000	43,664,000
2. Freedmen's Hospital	15,120,000	14,925,000	15,120,000	15,120,000	15,120,000
Total	58,784,000	57,873,000	58,784,000	58,784,000	58,784,000
Total, Special Institutions	81,662,000	80,631,000	81,662,000	81,662,000	81,662,000
OFFICE OF CHILD DEVELOPMENT					
Child development:					
1. Research and demonstrations	24,200,000	15,200,000	15,200,000	15,200,000	15,200,000
2. Head Start:					
(a) Full-year to summer programs	373,392,000	357,692,000	388,692,000	373,192,000	357,692,000
(b) Experimental programs	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
(c) Career development and technical assistance	19,150,000	19,150,000	19,150,000	19,150,000	19,150,000
(d) Evaluation	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
(e) Parent and child centers	6,258,000	6,258,000	6,258,000	6,258,000	6,258,000
Subtotal	407,800,000	392,100,000	423,100,000	407,600,000	392,100,000
3. Salaries and expenses	11,800,000	11,800,000	11,800,000	11,800,000	11,800,000
Total, Office of Child Development	443,800,000	419,100,000	450,100,000	434,600,000	419,100,000
OFFICE OF THE SECRETARY					
Office for Civil Rights	19,196,000	19,196,000	19,196,000	19,196,000	19,196,000
Less: trust fund transfer	−1,253,000	−1,253,000	−1,253,000	−1,253,000	−1,253,000
Total	17,943,000	17,943,000	17,943,000	17,943,000	17,943,000
Departmental management:					
1. Executive direction	9,983,000	9,345,000	9,503,000	9,503,000	9,503,000
2. Public information	1,692,000	1,642,000	1,342,000	1,342,000	1,342,000
3. Community and field services	10,903,000	10,903,000	10,585,000	10,585,000	10,585,000
4. Legal services	7,450,000	6,794,000	6,916,000	6,916,000	6,916,000
5. Financial management:					
(a) Audit	20,396,000	20,396,000	20,109,000	20,109,000	20,109,000
(b) Other	4,180,000	4,180,000	3,966,000	3,966,000	3,966,000
Subtotal	24,576,000	24,576,000	24,075,000	24,075,000	24,075,000
6. Administrative management	20,674,000	20,018,000	18,557,000	18,557,000	18,557,000
7. Policy research	22,710,000	22,710,000	22,710,000	22,710,000	22,710,000
8. Indian program	32,100,000	32,100,000	32,100,000	32,100,000	32,100,000
9. Less: Public affairs reduction			−10,000,000	−10,000,000	−10,000,000
Less: Trust fund transfer	−7,890,000	−7,890,000	−7,890,000	−7,890,000	−7,890,000
Total	122,198,000	120,198,000	107,898,000	107,898,000	107,898,000
Total, Office of the Secretary	140,141,000	138,141,000	125,841,000	125,841,000	125,841,000
Total, new budget (obligational) authority, Department of Health, Education, and Welfare	30,420,855,000	31,501,695,000	31,998,460,000	31,589,369,000	31,210,314,000

	1974 Budget request	1974 House allowance	1974 Senate allowance	1974 Conference agreement	Effect of $400,000,000 reduction
OFFICE OF THE SECRETARY—Continued					
Action (domestic programs)	$43,004,000	$43,004,000	$43,004,000	$43,004,000	$43,004,000
Corporation for Public Broadcasting	45,000,000	(1)	55,000,000	50,000,000	47,500,000
Federal Mediation and Conciliation Service	10,960,000	10,960,000	10,960,000	10,960,000	10,960,000
National Commission on Libraries and Information Science	406,000	406,000	406,000	406,000	406,000
National Labor Relations Board	55,050,000	55,050,000	55,050,000	55,050,000	55,050,000
National Mediation Board	2,867,000	2,867,000	2,867,000	2,867,000	2,867,000
Occupational Safety and Health Review Commission	4,890,000	4,890,000	4,890,000	4,890,000	4,890,000
Office of Economic Opportunity	143,800,000	333,800,000	358,800,000	346,300,000	328,985,000
Railroad Retirement Board:					
Payments for military service credits	22,478,000	22,478,000	22,478,000	22,478,000	22,478,000
Limitation on salaries and expenses	(21,330,000)	(21,330,000)	(21,330,000)	(21,330,000)	(21,330,000)
Soldiers' and Airmen's Home (trust fund appropriation):					
Operation and maintenance	13,326,000	13,326,000	13,326,000	13,326,000	13,326,000
Capital outlay	456,000	456,000	456,000	456,000	456,000
Total, new budget (obligational) authority, related agencies	342,237,000	487,237,000	567,237,000	549,737,000	529,922,000
Grand total, new budget (obligational) authority	31,549,953,000	32,816,467,000	33,396,379,000	32,926,796,000	32,527,926,000

(1) Not considered.

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

TITLE I—DEPARTMENT OF LABOR

Manpower Administration

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

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

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

Occupational Safety and Health Administration

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

Departmental Management

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

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health Administration

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

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

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

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

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

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

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

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

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

National Institutes of Health

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

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

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

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

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

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

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

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

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

Amendment No. 23: Appropriates $114,000,000 for "National Institute of Allergy and

Infectious Diseases" as proposed by the Senate instead of $112,744,000 as proposed by the House.

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

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

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

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

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

Office of Education

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

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which will provide that the aggregate amounts made available to each State under Title I–A of the Elementary and Secondary Education Act for grants to local educational agencies within that State shall not be more than 120 per centum of, nor less than, such amounts as were made available to that State for that purpose for fiscal year 1973, and the amount made available to each local educational agency under said Title I–A shall not be less than 90 per centum of the amount made available for that purpose for fiscal year 1973.

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

The conferees are agreed that the allotment of funds under Title I–A of the Elementary and Secondary Education Act shall be made as follows: States shall receive no less than 100 percent and no more than 120 percent of the amounts they received in fiscal year 1973. Within the State allocation, local education agencies shall receive no less than 90 percent of the amounts they received in fiscal year 1973, with no ceiling.

The Elementary and Secondary Education Act expired June 30, 1973, but was automatically extended for one additional year by Section 413 of the General Education Provisions Act. It is under this authority that appropriations are included in the bill. The conferees want to state in the strongest possible terms that no funds will be considered in next year's appropriation bill unless the present Title I formula is revised to remove the inequities in the basic law. For the past several years, efforts to provide early appropriations in a separate bill for education programs have been frustrated by lack of authorizing legislation. The conferees generally favor the early disposition of education appropriations, but there will be no further appropriations for Title I until the basic law is amended, even though this may cause a delay in allocations for the next school year.

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

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

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

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

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

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

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

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

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

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

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

EDUCATIONAL DEVELOPMENT

[In thousands of dollars]

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

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

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

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

National Institute of Education

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

Social and Rehabilitation Service

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

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

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

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

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

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

Social Security Administration

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

Special institutions

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

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

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

Office of Child Development

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

Office of the Secretary

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

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

General provisions

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

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

Amendment No. 78: Deletes Section 212 proposed by the Senate which would have prohibited the use of funds to pay compensation of persons in any of the Department's regional offices for carrying out duties of the

Office of Education carried out in Washington, D.C. prior to June 1, 1973, unless prior approval is obtained from Congressional committees. The Senate amendment reflected concern about the Office of Education's actions in "regionalizing" the administration of education programs and restricted the payment of salaries to persons employed in carrying out regionalization plans. The conferees have determined that, at this time, barring the payment of such salaries is not an appropriate mechanism for countering massive regionalization and reorganizations which have not been discussed in advance with Congress. However, the Office of Education should take note of these concerns and refrain from regionalizing or reorganizing the administraiton of education programs without prior consultation with both the authorization and appropriation committees of both houses of Congress.

TITLE III—RELATED AGENCIES

Corporation for Public Broadcasting

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

Office of Economic Opportunity

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

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

TITLE IV—GENERAL PROVISIONS

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

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

CONFERENCE TOTAL—WITH COMPARISONS

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

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

[1] The enacting clause of the bill will authorize the withholding from obligation and expenditure of not to exceed $400,000,000.

DANIEL J. FLOOD,
WILLIAM H. NATCHER,
NEAL SMITH,
BOB CASEY,
EDWARD J. PATTEN,
DAVID R. OBEY,
EDITH GREEN,
GEORGE MAHON,
ROBERT H. MICHEL,
GARNER E. SHRIVER,
SILVIO O. CONTE,
J. K. ROBINSON,
E. A. CEDERBERG,
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN L. MCCLELLAN,
ALAN BIBLE,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
JOSEPH M. MONTOYA,
ERNEST F. HOLLINGS
(except as to amendment 32),
THOMAS F. EAGLETON,
NORRIS COTTON,
MILTON R. YOUNG,
CLIFFORD P. CASE
(except as to amendment 1),
HIRAM L. FONG,
EDWARD W. BROOKE,
TED STEVENS
(except for amendment 1—I would except title I),
RICHARD S. SCHWEIKER,
Managers on the Part of the Senate.

CHICAGO'S INTERNATIONAL CAN CO. SETS EXAMPLE

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

Mr. ROSTENKOWSKI. Mr. Speaker, one of the most unfortunate aspects of the current fuel shortage has been the rush by many motorists to purchase large gasoline cans. Automotive stores throughout the Nation have reported extremely low inventories of this now precious item. This practice of hoarding gasoline is not only contrary to the collective national spirit but is extremely dangerous as well. The National Safety Council has recently cautioned motorists on the hazards of taking along that extra tank of gas on long trips. In many instances, especially in poorly ventilated automobile trunks, that extra can of gas is, in reality, a potential bomb.

Last evening on Chicago's WMAQ–TV News 5, there appeared a segment which cited the efforts presently being made by one Chicago company to combat this problem. Mr. John Trippi, board chairman of Chicago's International Can Co., one of the Nation's largest suppliers of gas cans, has announced that his company will in no way increase production to meet the rising demand. In stating his company's position, Mr. Trippi pointed out that economic gain should not come before the national interest.

The spirit which led to this courageous decision by the International Can Co. is something which should be emulated by us all.

SPEAKER ALBERT PROMISES SWIFT ACTION

(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, Speaker of the House CARL ALBERT promised "swift action and a coordinated effort" in solving energy problems after a meeting with the Democratic leadership and key House Members controlling action on energy measures. Speaker ALBERT said:

> I am confident the House will consider several important energy proposals within the next several weeks, before adjournment of the Congress.

Speaker ALBERT cited the following measures which he is hopeful will be ready for House action in coming weeks:

The National Emergency Energy Act, which would provide standby rationing authority, partial waiver of environmental requirements, authority to allocate coal and to order conversion of powerplants to coal use and authority to draw up energy conservation plans affecting most areas of American life, including transportation regulation.

Deepwater ports legislation, which has already been reported to the full House of Representatives by its Public Works Committee.

Legislation to create an independent Energy Research and Development Administration.

Legislation providing for a reduced national speed limit plan.

Legislation providing for more economical use of energy in Government-owned and leased buildings.

Speaker ALBERT emphasized that today's meeting, which dealt mainly with legislation that would bring immediate relief or legislation that can be enacted within the next few weeks, was the first in a series of meetings designed to coordinate an overall congressional energy program.

Speaker ALBERT stressed the seriousness of the energy problem and took exception to President Nixon's recent statement that the problem as "temporary" and could be solved within a year. Speaker ALBERT said:

> Congress realizes the enormous scope of this serious problem and the urgent need for mid- and long-term solutions as well as ways to keep people warm and moving during the coming winter.

Speaker ALBERT also praised the Congress for having already considered legislation authorizing the building of the Alaska pipeline, instituting a mandatory allocation program, and placing the country on year-round daylight savings time.

The Congress was predicting fuel shortages this winter, long before the current Arab embargo which merely brought the situation to a head, unless the administration changed course and stopped impounding money for energy research and development for such important programs as coal gasification, and geothermal and solar power.

EPA HAS GONE OFF THE DEEP END ON PARKING TAX

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

Mr. LEGGETT. Mr. Speaker, when the supplemental appropriations bill comes before us this afternoon, I will offer an amendment to kill the Environmental Protection Agency's authority to tax, limit, or otherwise regulate automobile parking. I have always supported EPA's actions in the past, and I have no sympathy for those who wantonly spew garbage into the air or water.

We have had some regulations that recently has been promulgated in California complying with a court order which will result, as I understand it, in a tax on anybody with five or more parking places at a rate of something like $450 per parking place per year.

I have received a telegram from Lucky Markets indicating that the taxes and surcharges as a result of the EPA surcharge will exceed their Federal income tax paid by that particular conglomerate over the past year.

I have a letter here from the Los Angeles Chamber of Commerce, which is well thought out. The letter suggests that we change EPA's authority to tax parking, that we change the ambient air qualities standards, that we regulate and modify rather substantially the Environmental Protection Act.

I believe today is the day to generally discuss that situation.

But in the matter of parking I believe EPA's attempts to tax urban parking out of existence are dogmatic and untenable. If put into effect, they will impose extreme hardship on all urban Americans and, as I will explain this afternoon, their beneficial effect on air quality will be questionable at best. Furthermore, they are so badly thought out and so disastrous in consequence that they will generate such universal popular resentment that the entire environmental movement may be discredited.

PROVIDING FOR INCREASING INTEREST PAID ON THE PERMANENT FUND OF THE SOLDIERS' AND AIRMEN'S HOME

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8528) to provide for increasing the amount of interest paid on the permanent fund of the U.S. Soldiers' and Airmen's Home, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 4, strike out " "of 3" and insert " "the rate of 3".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1974

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11575) making appropriations for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes.

CALL OF THE HOUSE

Mr. LEGGETT. 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. 606]

Alexander	Fraser	Pettis
Anderson, Calif.	Gray	Pike
Baker	Griffiths	Poage
Bell	Gude	Powell, Ohio
Bolling	Hanna	Quie
Brademas	Hébert	Quillen
Brooks	Heinz	Rangel
Buchanan	Helstoski	Reid
Burke, Calif.	Holt	Rooney, N.Y.
Camp	Johnson, Colo.	Rose
Carey, N.Y.	Karth	Rousselot
Carney, Ohio	Keating	Sebelius
Chisholm	King	Seiberling
Clark	Landrum	Snyder
Clawson, Del	Long, La.	Staggers
Cochran	Long, Md.	Steiger, Ariz.
Collins, Ill.	Lott	Stephens
Conyers	Lujan	Stokes
Crane	McSpadden	Talcott
Danielson	Macdonald	Taylor, Mo.
de la Garza	Mathis, Ga.	Teague, Tex.
Dellenback	Metcalfe	Van Deerlin
Dellums	Michel, Ill.	Wiggins
Derwinski	Mills, Ark.	Wilson, Bob
Dickinson	Mitchell, Md.	Wyatt
Diggs	Moorhead, Calif.	Young, Alaska
Downing	Murphy, Ill.	Young, S.C.
Eshleman	Nelsen	

The SPEAKER. On this rollcall 350 Members have recorded their presence by electronic device, a quorum.

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

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE A REPORT ON S. 1191

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight tonight, to file the committee report on S. 1191, as amended, to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes.

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

There was no objection.

THE DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1974

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11575, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through line 13 on page 7 of the bill, and there was pending an amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

If there is no objection, the Clerk will re-report the amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WYMAN: On page 7, strike that portion beginning on line 5 which reads: *"Provided further,* That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $851,672,000 shall be available for the performance of such work in Navy shipyards:".

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by Mr. WYMAN.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. Mr. Chairman, I wish to associate myself with the remarks of the author of this amendment, Mr. WYMAN of New Hampshire and the other Members supporting his amendment. Further, my colleague from California (Mr. LEGGETT) in whose district Mare Island is located, will provide more specifics and detail relating to the naval shipyard we are mutually supporting and interested in.

Therefore, Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New Hampshire (Mr. WYMAN) to remove the limitation on the use of naval shipyards for repair and overhaul of naval vessels.

Although the Wyman amendment removes the dollar limitation on the work of naval shipyards, it does not make any substantive policy change nor would it affect employment in private sector shipyards.

By adopting the amendment we will simply permit the Navy sufficient flexibility to account for pay increases for public employees and cost increases due to inflation without having to redirect planned work schedules or reduce employment.

We know that employment in public

shipyards is only about 60 percent today of what it was 10 years ago. This figure shows clearly that there is no need to cause an extra dislocation in employment at the naval shipyards.

In addition, while it is claimed that costs are higher for repairs performed at public shipyards, we must remember that it is vital to our security that we have a strategic reserve personnel capability in the form of a ready, experienced naval ship repair capacity in the event of any unforeseen emergency.

I share fully the belief that we must maintain a strong and viable group of private shipyards for military work but I also believe it is neither right nor appropriate to try to do so through artificial, unnecessary limitations and establishes a trend toward downgrading the ability of our naval shipyards to perform efficiently and effectively.

Mr. LEGGETT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire (Mr. WYMAN), which is really a very simple amendment. The appropriation bill when originally submitted did not contain the language which the gentleman from New Hampshire (Mr. WYMAN) seeks to extract from the bill. And the amendment that was made in committee, without elaborate debate, would purport to restrict the Navy Department on repairs and alterations alone to the particular sum of $851 million for that particular category.

It just so happens that that category is no longer $851 million today; it is $861 million; and we anticipate that with the pay raise going through in January the category may well expand the sum to $891 million by the time we are finished the fiscal year. If we want the Department of the Navy to eke all pay and inflation increases out of its budget, if we want to restrict the repairs and alterations that are currently scheduled for navy yards, if we want to lay off from the Portsmouth Naval Shipyard 400 men, 900 men out of Philadelphia, 550 out of Norfolk, 700 out of Charleston, 350 out of Puget Sound, none out of Mare Island, 550 out of Long Beach, then vote against the Wyman amendment, because the Department of the Navy has said very clearly in the only documentation that they presented to this Congress that this is the situation.

At the proper time in the House I will make the appropriate motion and ask unanimous consent to include in the RECORD at this point my entire presentation which I made to the Defense Appropriations Committee, some 36 pages long, which includes the Navy analysis, and also the supplemental Navy analysis dated November 12 prepared by Acting Navy Secretary William Middendorf III:

STATEMENT OF HON. ROBERT L. LEGGETT BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE, THURSDAY, OCTOBER 11, 1973

Mr. Chairman: My remarks to the Committee this morning I'm sure you will appreciate will be short and to the point.

The relief that I am asking of this Committee is exactly nothing—no legislation—no limitations on your Defense Appropriations Bill.

You heard testimony over the past few weeks urging the Committee to apportion more work to private shipyards because they can operate cheaper than Naval shipyards. The request is for 50 percent of the repairs and alteration work of the Navy.

Gentlemen, I can show you in a few charts and quotations that the private yards are coming out like fat hogs while our Naval shipyard structure has been decimated.

1. SHIPYARD EMPLOYMENT

We talk about the Russians, keeping up with them—they are building large numbers of ships and submarines and have the capacity to build five times the number of ships. Simultaneously in the United States because of budget constrictions we are building 80 percent of our current Navy in four Eastern and Southern private yards, to wit, Electric Boat, Newport News, Litton and Avondale; and conversely we have closed San Diego Naval Shipyard, New York Naval Shipyard, Hunters Point Naval Shipyard, and Boston Naval Shipyard.

When I testified here two years ago as compared to today, the following is the line up of Naval Shipyard employment:

Yard	September 1971	Aug. 31, 1973
Portsmouth	5,966	5,322
Boston	5,965	2,696
Philadelphia	8,338	7,193
Norfolk	9,940	9,731
Charleston	6,942	6,114
Puget Sound	8,740	8,759
Mare Island	8,572	7,345
Hunters Point	5,792	2,727
Long Beach	7,402	6,853
Pearl Harbor	5,297	4,878
Total	72,954	60,491

The lean and hungry look of Naval shipyards can be appreciated when you consider that we had over 50 percent more employees in 1968, at 95,200, than today. I would further remind the Committee that the Kaiser Engineers Study paid for by the Navy recommended a minimum shipyard employee complex of 72,000 for optimum efficiency at our ten Naval shipyards. The fact that two yards have commenced closing and that manning levels are dwindling to the 55,000 men level is confirmation of the fact that in but five years we have determined on a national policy to cut in half our Navy shipyard capacity.

As will be seen from the following chart of the Shipbuilders of Americ , the 12,000 man loss in Navy shipyards in 1970 has been partially compensated by a 6,000 man gain in the private sector.

It is unfortunate that we have famine in employment in some of the Naval shipyard areas today, but Electric Boat, Litton and Newport News all have deficiencies of over 1,000 employees.

The conclusion from this section is that private yards do not need more work to keep their employees busy.

STATISTICAL QUARTERLY, SHIPBUILDERS COUNCIL OF AMERICA

2D QUARTER, 1973, PRIVATE SHIPYARD EMPLOYMENT—LATEST TABULATION OF WORKFORCE IN PRIVATE SHIPYARDS PROVIDED BY BUREAU OF LABOR STATISTICS SHOWS INCREASE TO 138,600 FOR APRIL 1973

[Private shipyard employment—All employees in thousands]

	Total	North Atlantic	South Atlantic	Gulf	Pacific	Great Lakes and inland
Average 1962	114.6	48.0	23.8	21.1	15.3	6.5
Average 1963	115.5	48.1	22.7	23.0	15.0	6.6
Average 1964	116.8	43.9	24.2	25.7	14.9	8.3
Average 1965	128.9	48.0	24.3	32.3	14.5	10.0
Average 1966	143.6	52.6	24.8	35.6	20.7	9.9
Average 1967	140.0	48.4	16.1	34.8	20.7	10.0
Average 1968	141.0	46.2	27.0	36.5	22.4	8.9
Average 1969	142.0	45.8	26.0	37.6	25.2	7.4
Average 1970	132.7	43.6	23.2	38.8	20.3	7.6
Average 1971	129.7	39.9	23.2	43.2	15.9	7.7
Average 1972	134.5	37.4	28.4	46.4	13.5	8.8
1972						
January	131.1	38.9	26.5	43.6	13.7	8.4
February	129.4	38.6	26.8	41.6	13.6	8.8
March	134.7	38.5	17.3	46.4	13.7	8.8
April	135.8	39.3	27.5	46.3	14.1	8.6
May	137.0	38.8	27.9	47.1	14.9	8.3
June	136.7	38.3	28.8	47.3	14.0	8.3
July	136.3	37.2	29.4	47.7	13.2	8.8
August	132.1	32.3	29.2	48.2	13.6	8.8
September	134.6	36.7	28.9	46.7	13.4	8.9
October	134.0	36.6	28.9	47.0	12.7	8.8
November	135.8	37.0	29.5	47.5	12.5	9.3
December	136.8	37.0	29.9	47.3	13.0	9.6
1973						
January	137.6	37.0	29.8	48.0	12.8	10.0
February	139.1	36.8	39.9	49.4	12.6	10.4
March	138.4	37.1	30.1	47.8	12.7	10.7
April	138.6	36.8	30.0	48.0	13.4	10.4

2. HAS THE NAVY GIVEN PRIVATE YARDS THEIR FAIR SHARE OF THE WORK?

A 35/65 split as recommended by this Committee?

The following chart displays the Navy's generosity conclusively— the answer is yes.

FISCAL YEARS 1953–74

[Dollars amounts in thousands]

Fiscal year	Repairs and alterations				Conversions				Total repairs, alterations and conversion			
	Naval	Private	Total	Percent private	Naval	Private	Total	Percent private	Naval	Private	Total	Percent private
1953	$301,700	$32,800	$334,500	9.8	$132,691	0	$132,691	0	$434,391	$32,800	$467,000	7.0
1954	285,600	55,600	341,200	16.3	93,211	0	93,211	0	378,811	55,600	343,000	12.8
1955	255,400	76,400	331,800	23.0	148,850	0	148,850	0	404,250	76,400	480,000	15.9
1956	294,000	77,200	371,200	20.8	224,876	$10,521	235,397	4.5	518,876	87,721	606,000	14.5
1957	269,400	64,200	333,600	19.2	414,435	196,232	610,717	32.1	683,835	260,482	944,000	27.6
1958	293,300	67,700	361,000	18.8	229,254	0	229,254	0	522,554	67,700	590,000	11.5
1959	299,500	57,500	357,000	16.1	312,409	38,799	351,208	11.0	611,909	96,299	708,000	13.6
1960	350,900	63,500	414,400	15.3	94,418	11,869	106,287	11.2	445,318	75,369	520,000	14.5
1961	347,300	79,700	427,000	18.7	141,350	0	141,350	0	488,650	79,700	568,000	14.0
1962	394,300	133,400	527,700	25.3	205,944	32,400	238,344	13.6	600,244	165,800	766,000	21.6
1963	309,909	140,487	450,396	31.2	288,300	186,200	474,500	39.2	598,209	326,687	924,000	35.3
1964	315,053	150,972	466,025	32.4	393,862	148,364	542,226	27.4	708,915	299,336	1,008,000	29.7
1965	432,962	148,620	581,582	25.6	22,700	71,910	94,600	76.0	455,662	220,520	676,000	32.6
1966	511,044	349,619	860,663	40.6	166,100	20,650	186,750	11.1	677,144	370,269	1,047,000	35.4
1967	664,088	352,494	1,016,582	34.7	25,000	121,510	146,500	82.9	689,088	473,994	1,163,000	40.8
1968	667,896	264,106	932,002	28.3	128,900	211,510	340,400	62.1	796,796	475,606	1,272,000	39.4
1969	665,022	235,521	900,543	26.2	131,400	128,710	260,100	49.5	796,422	364,221	1,160,000	31.4
1970	593,331	214,358	807,689	26.5	188,200	149,100	337,300	44.2	781,531	363,458	1,144,000	31.7
1971	686,583	135,118	821,701	16.4	187,800	403,800	586,000	68.9	869,383	538,318	1,407,000	38.2
1972	760,150	176,832	936,982	18.9	286,800	258,500	485,300	53.3	986,950	435,332	1,422,000	30.6
1973	772,908	282,964	1,055,872	26.8	236,300	302,200	538,500	56.1	1,009,208	585,164	1,594,000	36.7
1974 (estimated)	851,672	359,919	1,211,591	29.7	199,500	389,500	589,000	66.1	1,051,172	749,419	1,800,000	41.6

SHIPWORK ALLOCATION BETWEEN NAVAL/PRIVATE SHIPYARDS FISCAL YEARS 1953–72

[Dollar amounts in thousands]

Year	New construction [2]				Total repairs, alterations, conversions and new construction			
	Naval	Private	Total	Percent private	Naval	Private	Total	Percent private
1953	$256,390	$303,059	$559,446	54.2	$690,781	$335,859	$1,026,640	32.1
1954	0	427,818	427,818	100.0	378,811	483,418	862,229	56.7
1955	320,288	415,218	735,506	56.5	724,538	491,618	1,216,156	40.4
1956	388,411	861,380	1,249,791	68.9	907,287	949,101	1,856,388	51.1
1957	549,686	1,010,601	1,560,287	64.8	1,233,521	1,271,083	2,504,604	50.7
1958	303,302	1,281,300	1,584,602	80.9	825,856	1,349,000	2,174,856	62.0
1959	474,131	1,376,699	1,850,830	74.4	1,086,040	1,472,998	2,559,038	57.6
1960	86,160	429,615	515,775	83.3	531,478	504,984	1,036,462	48.7
1961	483,702	1,488,935	1,972,637	75.5	972,352	1,568,635	2,540,987	61.7
1962	772,371	1,620,824	2,393,195	67.7	1,372,615	1,786,624	3,159,239	56.6
1963	274,192	1,888,108	2,162,300	87.3	872,401	2,214,795	3,087,196	71.7
1964	321,945	1,390,818	1,712,763	81.2	1,030,860	1,690,154	2,721,014	62.1
1965	441,100	1,361,476	1,802,576	75.5	896,762	1,581,996	2,478,758	63.8
1966	255,300	1,390,436	1,645,736	84.5	932,444	1,760,705	2,693,149	65.4
1967	6,500	1,827,300	1,833,800	99.6	695,588	2,301,294	2,996,882	76.8
1968	0	510,700	510,700	100.0	796,796	986,306	1,783,102	55.3
1969	0	351,600	351,600	100.0	796,422	715,821	1,512,243	47.3
1970	0	1,900,500	1,900,500	100.0	781,531	2,263,958	3,045,489	74.3
1971	0	1,709,500	1,709,500	100.0	869,383	2,536,118	3,405,501	74.5
1972	0	1,997,900	1,997,900	100.0	968,950	2,433,232	3,402,182	71.5
1973	0	1,440,700	1,440,700	100.0	1,009,208	2,025,864	3,035,072	66.7
1974	0	3,658,400	3,658,400	100.0	1,051,172	4,407,819	5,458,991	80.7

As is apparent from the chart the private share of Alterations, Repairs and Conversions escalated from 31.7 percent and $1,144,989 in 1970 to a projected 41.6 percent and $1,800,000 in fiscal year 1974. Obviously the 35/65 tentative Committee/Navy goal has been satisfied—the average for the past five years being 36.78 percent (2.7101 billion)/(7.367 billion).

The share over the past 20 years of the private yards of repairs and alterations has escalated from 9.8 percent to 29.7 percent in 1974.

The share of the privates in conversions has zoomed from 0 percent to 66.1 percent in 1974.

The share of the privates in new construction has exploded from 54.2 percent to 100 percent in 1974.

The share of the privates in the total Navy business has nuclear fissioned from 32.7 percent to 80.7 percent in 1974.

The Navy has more than complied with the will of the Congress, the reason probably being that Navy shipyards are being closed by the Department of Defense so rapidly, there is very little Navy in house capacity left.

3. DO THE PRIVATE YARDS NEED ADDITIONAL WORK?

The Bible on this subject is the Shipbuilders' Council '73 Annual Report. Page 33 of the report reads as follows respecting new construction:

Type	Number of vessels	Total light displacement tons
Replenishment oiler (AOR)	2	25,000
Attack aircraft carrier (nuclear) (CVAN)	2	142,000
Destroyer (DD)	16	80,000
Escort ship (DE)	8	20,992
Guard missile frigate (nuclear) (DLGN)	5	40,110
Amphibious assault ship (special) (LHA)	5	115,000
Attack submarine (nuclear) (SSN)	19	96,577
Total	57	519,679

	Commercial ships	Naval ships	Total
1954	$256,000	$371,000	$627,000
1955	122,000	601,000	723,000
1956	231,000	668,000	899,000
1957	949,000	704,000	1,653,000
1958	874,000	952,000	1,826,000
1959	659,000	1,060,000	1,719,000
1960	492,000	974,000	1,466,000
1961	490,000	965,000	1,455,000
1962	525,000	1,124,000	1,649,000
1963	369,000	1,249,000	1,618,000
1964	387,000	1,176,000	1,564,000
1965	519,000	1,728,000	2,247,000
1966	501,000	1,387,000	1,888,000
1967	$543,000	$1,751,000	$2,294,000
1968	788,000	1,649,000	2,437,000
1969	800,000	1,700,000	2,500,000
1970	765,000	1,719,000	2,484,000
1971	765,000	1,925,000	2,690,000
1972	1,058,000	2,255,000	3,313,000
1973	[1] 2,950,000	[1] 2,731,000	5,681,000

[1] Preliminary.

As you recall, 20 years ago 70% of all new construction occurred in Naval Shipyards—now there is none.

With respect to conversions, the private yards had 100% of the Merchant conversions last year—9 ships and better than 50% of the Navy conversions—4 ships—probably 67% of this type of work.

Concerning repairs and alterations, the Shipbuilders' Council contains the following chart on Page 35 of their report:

Year	Vessels under 1,000 gross tons	Vessels over 1,000 gross tons	Total vessels
1955	21,122	14,291	35,413
1956	29,401	16,154	45,555
1957	26,106	14,721	40,827
1958	28,331	14,478	42,809
1959	24,837	12,664	37,501

Year	Vessels under 1,000 gross tons	Vessels over 1,000 gross tons	Total vessels
1960	24,991	12,783	37,774
1961	26,027	10,789	36,816
1962	29,912	12,774	42,686
1963	27,804	12,186	39,990
1964	26,777	10,723	37,500
1965	22,900	12,721	35,621
1966	19,600	13,500	33,100
1967	24,500	12,900	37,400
1968	24,300	12,900	37,200
1969	22,100	13,880	35,980
1970	26,800	12,400	39,200
1971	25,000	10,500	35,500
1972		[1] 8,000	

[1] Preliminary.

Year	Commercial ships [1] Amount	Commercial ships [1] Percent	Naval ships Amount	Naval ships Percent	Total
1954	$196,140	78.0	$55,180	22.0	$251,320
1955	218,810	76.1	68,000	23.9	287,710
1956	328,390	84.1	62,000	15.9	390,390
1957	398,590	91.5	36,880	8.5	435,470
1958	275,510	87.0	41,300	13.0	316,810
1959	202,690	84.2	37,960	15.8	240,650
1960	221,790	82.9	45,810	17.1	267,600
1961	213,200	70.1	90,840	29.9	304,040
1962	233,650	74.6	79,680	25.4	313,330
1963	228,000	66.8	113,000	33.2	341,000
1964	236,000	63.5	137,000	36.7	373,000
1965	291,000	58.5	208,000	41.5	498,000
1966	324,000	51.8	301,000	48.2	625,000
1967	335,000	56.3	315,000	43.7	650,000
1968	318,000	51.0	311,000	49.0	629,000
1969	352,000	49.1	340,000	50.9	692,000
1970	320,000	48.7	350,000	51.3	670,000
1971	315,000	50.4	310,000	49.6	625,000
1972	[2] 302,000	63.8	[2] 171,000	36.2	[2] 473,000

[1] Includes MSC (MSTS) work.
[2] Preliminary.

As is indicated, the total repairs and alterations, Naval and commercial accomplished in private yards has equaled repairs and alterations in Navy Shipyards—about $5½ billion worth of work being accomplished in each sector in the past ten years.

When the total work picture is viewed in perspective for the past year, the figures are as follows:

	Navy	Private
New construction Navy	0	2,731,000,000
New construction commercial	0	2,950,000,000
Conversions—Navy	270,000,000	226,000,000
Conversions—Private	0	100,000,000
Repairs Navy	757,000,000	182,000,000
Coast Guard	0	81,000,000
Corps of Engineers	0	15,400,000
Total	1,027,000,000	6,285,000,000
Percent	14	86

At the beginning of 1973, private yards had a backlog of 57 large Naval ships to construct, plus 86 large Merchant ships. The Navy Yards had none.

Restated, the private yards last year had 86% of the Nation's ship business and they are back here to this committee to ask for more.

4. CAN PRIVATE YARDS DO MORE REPAIR WORK?

It's possible in some minor respects that they can; but according to their testimony before this committee, they are not after more Carrier or Submarine repair work, either nuclear or non-nuclear, nor do they want Surface Nuclear ships. The aforementioned work is costly and substantial but the complainants before this committee aren't interested in this work.

Admittedly, the private yards neither are able to plan on emergency work the Navy estimates at over $360 million. The Navy classifies this work as restricted availability, technical availability and selected restricted availability.

When all of this work is removed from the Navy Repair and Alteration shopping list, there is a lean product left for distribution. As the Navy has requested, they should be allowed some discretion in this area.

Since 1971 when we last held hearings before this committee the private share of Repairs and Alterations has escalated from 16.4% and $135 million to 29.7% and $359 million this year. I see little here about which the private yards should complain.

5. HAS THE NAVY PERFORMED ALL NAVY YARD REPAIR WORK AT THE 10 NAVAL SHIPYARDS?

The answer to this question is "No." As has been previously indicated, certain emergency Navy repairs must be accomplished where possible.

I reviewed this issue at length over the past few months with the Navy as follows:

JULY 16, 1973.

Adm. I. C. KIDD, Jr.,
Chief, Naval Materiel Command, Department of the Navy, Washington, D.C.

DEAR ADMIRAL KIDD: Enclosed for your review is a copy of a newspaper report from the Vallejo Merchant indicating considerable shipbuilding taking place overseas.

I have not reviewed recently the volume of repairs which we have effected at our overseas bases. At your early convenience, I would appreciate your providing a report on the dollar volume of repairs performed over the past two years at Yokosuka and other Japanese bases, Subic Bay, and each of the West Coast Naval Shipyards.

If repairs are accomplished at other foreign bases in the world other than on an emergency basis, I would appreciate an analysis of that work also.

Your early report on this matter will be very much appreciated.

Very sincerely,

ROBERT L. LEGGETT,
Member of Congress.

THE CHIEF OF NAVAL MATERIAL,
Washington, D.C., August 1, 1973.

HON. ROBERT L. LEGGETT,
House of Representatives,
Washington, D.C.

DEAR MR. LEGGETT: This is in further reply to your letter of July 16th requesting a report on the dollar volume of ship-repair work performed at various overseas bases and at west-coast naval shipyards over the past two years.

The two tables below reflect the dollar value of naval ship-repair work performed at west-coast naval shipyards and far-east bases for fiscal years 1971, 1972, and the first three quarters of fiscal year 1973.

TOTAL OPERATING COST (DOLLAR VALUE BUSINESS)
WEST COAST

NAVAL SHIPYARDS (THOUSANDS OF DOLLARS)

	Fiscal year— 1971	1972	1973 (1st quarters)
Long Beach	122,432	128,670	94,268
Hunters Point	116,080	108,531	81,845
Mare Island	174,771	163,246	108,673
Puget Sound	148,282	144,045	96,153
Pearl Harbor	94,590	100,969	71,266

NAVAL SHIP REPAIRS (DOLLAR VALUE BUSINESS) FAR EAST

Subic Bay	16,145	19,025	29,580
Yokosuka	9,254	11,320	17,164
Guam	6,255	5,502	7,898
Sasebo	2,715	2,790	4,912

Aside from emergency repairs, there is no significant naval ship repair work being performed elsewhere outside the Continental U.S.

I trust that the foregoing satisfactorily responds to your request.

Sincerely,

I. C. KIDD, Jr.,
Admiral, U.S. Navy.

AUGUST 7, 1973.

Adm. I. C. KIDD, JR.,
Chief of Naval Material, Department of the Navy, Washington, D.C.

DEAR ADMIRAL KIDD: I have your letter of August 1, pointing up the allocation of Naval work between West Coast and Far East shipyards.

As I calculate the numbers, it appears that over the years from 1971 to 1973, we have escalated from 5 percent in 1971 to 5 percent in 1972 to 11 percent in 1973 contracting over to the Far East.

I realize the figures for 1973 include only the last three quarters. I would hope that the figures would not be further exacerbated in favor of the Far East when the fourth quarter figures are reported.

If there is a policy decision that has been made in the Navy Department to accomplish a progressive amount of repairs outside the United States. I would appreciate having a complete review of that policy.

Your early analysis would be very much appreciated.

Very sincerely,

ROBERT L. LEGGETT,
Member of Congress.

THE CHIEF OF NAVAL MATERIAL,
Washington, D.C., August 20, 1973.

HON. ROBERT L. LEGGETT,
House of Representatives,
Washington, D.C.

DEAR MR. LEGGETT: This is in reply to your letter of August 7th, wherein you calculated from data supplied in my letter of August 1st that the amount of ship-repair work performed in U.S. Navy installations in the Far East is increasing. You asked to be informed of any Navy policy decision in this matter.

Although there has been some increase in work done in our Far East facilities, nearly all major repair work such as overhauls will continue to be performed in this country. Normally, it is Navy policy to deploy only those ships which are fully ready, that is, ships that have already completed overhauls or extended repair periods in the United States. Any work done on these ships during a deployment is only that necessary to effect needed repairs and to insure that the ships are reliable and ready to perform their mission. Deployed ships cannot be returned to the United States for the accomplishment of all necessary repairs, since it would involve a constant and unscheduled replacement of deployed ships every time a piece of equipment broke down. If deployed ships are to be kept ready to carry out their missions, required repairs must be accomplished as soon as practicable and as close as possible to their area of operation.

Some ships have been given extended assignments to the U.S. Seventh Fleet. These extended assignments involve the relocation of certain of the crews' dependents to Yokosuka, Japan. This action has been taken to reduce the long family separations resulting from rotational deployments and to enable a better utilization of the reduced number of ships now in the active fleet.

The workforce at our Ship Repair Facility at Yokosuka is scheduled to be increased slightly. The projected distribution of the Seventh Fleet in the Western Pacific indicates the need for a greater industrial capacity in the Yokosuka area. Accordingly, it is planned to increase the work force to

match the projected Seventh Fleet workload requirement. This increase will be more than offset by reductions in the employment level at our other repair facilities in the Western Pacific.

In summary, there has been a slight upward trend in repair work going to our Far East bases, but that trend should taper off this year and next.

Sincerely,

I. C. KIDD, Jr.,
Admiral, U.S. Navy.

The conclusion from this correspondence respecting the Pacific has its parallel in the Atlantic and substantiates that 11 percent of the repairs and alterations, $55.5 million programmed for the West Coast are in fact accomplished at the four overseas Pacific bases of Subic Bay, Yokosuka, Guam and Sasebo.

6. HAS THE BUREAU OF THE BUDGET BEEN FAIR TO NAVAL SHIPYARDS?

As you recall after floundering in post 1965's with the McNamara five-year modernization program and closing two shipyards, we moved to the attached Nixon-Laird ten-year modernization program and this year closed another two Navy shipyards.

In 1970, the schedule proposed $70 million and $49.9 million was budgeted.

In 1971, the schedule provided $195 million, the Navy requested $98 million and $34.5 million cleared Congress.

In 1972, $14 million of a scheduled $150 million was provided.

In 1973, $14 million again was appropriated of $116 million scheduled.

The fair conclusion from this evidence is that either the Navy and Department of Defense are vigorously proceeding with a 150 year modernization program or that the program has in fact been abandoned.

I fear the announcement shortly of a new Navy modernization schedule and the consequences that may follow.

How can the Congress criticize in good faith Naval shipyard performance when the overall leadership has been so dismal in O.S.D. and O.M.B.

HOUSE ARMED SERVICES COMMITTEE, MILITARY CONSTRUCTION SUBCOMMITTEE, JUNE 10, 1971

PAGE 234 FOLLOWING LINE 7

ORIGINAL 10-YEAR PLAN FOR MODERNIZATION OF ALL NAVAL SHIPYARDS, EXCEPT PORTSMOUTH, N.H.

[In thousands of dollars]

Activity	Fiscal year — 1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total
Boston:											
MCON	7.7	25.2	34.5	12.6	21.6	20.3	14.5	24.9	10.1	4.0	175
OPN	1.4	2.0	1.7	1.7	1.3	1.9	1.5	1.2	1.0	1.0	14
OMN	.5	1.0	1.3	1.5	1.1	1.0	.6	.5	.3	.4	5
Total	9.6	28.2	37.5	15.8	24.0	23.2	16.6	26.6	11.4	5.4	198
Philadelphia:											
MCON	10.9	6.5	17.6	11.9	16.7	1.7	4.0	1.2	8.5	5.2	81
OPN	2.1	3.8	3.5	2.2	1.8	2.0	1.9	1.8	1.0	1.0	21
OMN	.5	1.5	1.9	1.7	1.6	1.3	1.2	1.0	.8	.3	11
Total	13.5	11.8	23.0	15.8	20.1	5.0	7.1	4.0	10.3	6.5	113
Norfolk:											
MCON	2.3	24.3	12.7	12.2	8.6	1.5	4.6	4.2	8.8	1.4	80
OPN	1.9	3.6	2.5	1.9	3.5	2.1	1.4	2.5	1.4	1.2	23
OMN	.7	1.2	1.4	1.4	1.4	1.3	1.0	.7	.3	.3	9
Total	4.9	29.1	16.6	15.5	13.5	4.9	7.0	7.4	10.5	2.9	112
Charleston:											
MCON	.5	8.8	4.5	8.7	6.5	1.3	1.4	2.6	2.3	13.0	49.6
OPN	2.7	3.6	2.5	3.5	1.9	1.8	1.4	1.3	1.3	3.7	23.7
OMN	.7	.9	1.1	.9	.7	.9	.5	.4	.3	.2	6.6
Total	3.9	13.3	8.1	13.1	9.1	4.0	3.3	4.3	3.9	16.9	79.9
Long Beach:											
MCON	8.3	7.6	10.0	7.9	6.1	20.3	20.9	10.6	4.6	3.2	99.5
OPN	.9	7.3	6.4	4.4	1.9	.6	.4	.4	1.9	.3	24.5
OMN	.7	1.8	1.8	1.5	1.2	1.3	.8	.6	.4	.2	10.3
Total	9.9	16.7	18.2	13.8	9.2	22.2	22.1	11.6	6.9	3.7	134.3
Hunters Point:											
MCON	8.7	5.0	16.4	4.7	9.0	9.5	6.2	2.9	1.1	4.4	67.9
OPN	3.3	3.9	2.8	2.3	1.0	1.3	1.3	1.3	1.2	1.2	19.6
OMN	.5	1.5	1.6	1.3	1.2	1.1	1.1	.9	.5	.4	10.1
Total	12.5	10.4	20.8	8.3	11.2	11.9	8.6	5.1	2.8	6.0	97.6
Mare Island:											
MCON	5.1	7.9	8.7	16.0	8.7	1.5	14.7	11.8	8.3	10.9	93.6
OPN	4.2	3.7	2.4	1.4	2.0	3.3	2.0	2.2	2.2	2.1	25.5
OMN	.6	2.4	2.3	2.4	2.1	1.4	1.1	.8	.6	.6	14.3
Total	9.9	14.0	13.4	19.8	12.8	6.2	17.8	14.8	11.1	13.6	133.4
Puget Sound:											
MCON	7.5	6.8	8.0	11.9	6.3	1.2	8.2	3.6	3.6	1.3	58.4
OPN	2.7	3.1	3.0	1.3	1.9	1.5	1.4	1.4	1.2	2.0	19.5
OMN	.5	1.6	1.5	1.4	1.5	1.1	.8	.7	.5	.4	10.0
Total	10.7	11.5	12.5	14.6	9.7	3.8	10.4	5.7	5.3	6.7	87.9

7. NAVY SHIPYARDS PROVIDE A COMPLETE SERVICE—HOME PORTING

We are building a volunteer service. A lot of work has been done and money spent to make our ships more livable, more habitable. Life at sea is no picnic, particularly on a combatant ship. Drills, exercises, training all take their toll of the energies of our men. When they come home, they need the comfort of their families and the opportunity to obtain more training and increase their skills. The shipyards need to be near the home ports of the ships or have the facilities to provide a home for the crews and their families, if it is necessary to change the home port on a permanent or semi-permanent basis.

The complexity of the ships has dictated that the shipyard should be a comprehensive one of significant size with, among others, expertise in design, engineering, weapon maintenance, high and low pressure propulsion systems, ship control, electronics, exotic metal fabrication with the accompanying welding techniques. It should have drydocking capability to handle ships with sizable sonar domes, blasting/painting expertise in polymer and vinyl paint systems, to quote the Navy "simply put, the overhaul of complex combatant ships is not a task for a shipyard that does not have on board both a sizable number of employees and a number of specialized facilities."

Naval shipyards in addition to the requirements as just stated have other facilities such as medical and dental, chaplains of virtually all faiths, recreational facilities and usually housing for the families. Home port should really be a home as well as a port. Naval shipyards meet the criteria and more.

Deputy Under Secretary William P. Clements in a speech to the Shipbuilders' Council agreed with these remarks last June 6th in Washington as follows:

. . . In order to meet the strategic requirement to maintain naval shipyards ready to meet the need of the fleet at reasonably efficient operating levels, our naval yards are apportioned the type of available work for which they are best suited, consisting primarily of the conversion, overhaul, alteration

and repair of complex combatant ships. Only a relatively few private yards are capable of working on these ship types and most of these yards are heavily engaged in new construction projects.

Conversely, the overhaul and repair of less complex ships such as the amphibious and auxiliary types are, as a general rule, awarded to private yards. Unfortunately, for the smaller shipyards many of the 300 plus ships retired from the active fleet were of this type.

Another factor affecting the division of work between naval and private yards is the Navy's homeport policy. Wherever possible, the Navy attempts to have its ship overhauled and repaired at or near their homeports in order that crew members can spend maximum time with their families, thus enhancing morale and improving the retention of Navy personnel. Naval shipyards are often part of the naval base complex where ships are homeported, and navy families reside. . . .

8. ARE COSTS HIGHER IN NAVAL SHIPYARDS?

The answer is simply yes.

Does it cost more to repair your car at the Ford Dealer than your local gas station? Again, the answer is yes.

Secretary Clements in the aforementioned speech explained the problem of higher Navy Shipyard costs and private shipyard overruns as follows:

One of the arguments made by private industry to have a greater portion of shipbuilding work allocated is that several recent studies have shown that costs are higher in naval shipyards. That is true. Among the causes for higher costs in Naval yards, is that pay levels and fringe benefits for naval shipyard salaried and hourly employees are higher.

A contributing factor is the relatively greater time required to balance naval shipyard work forces to changes in workloads due to the government's more inflexible personnel policies in raising or lowering the work force. Also the low workload levels being experienced by the naval shipyards caused by the 300 ship decrease in fleet size has resulted in under-utilization of physical capacity, and thus, higher costs.

The higher cost differential for naval shipyards are, in effect, the insurance premium that the Government pays to have a strategically located shipyard with an assured capability of giving immediate industrial support to naval ships.

In addition, the shipbuilding, conversion, and repair business has been the source of ever increasing claims sums. The claims have soared from approximately $88 million in 1967 to a high of $1.2 billion in 1971 and continue today in excess of $1 billion. We, in the Department of Defense, have shared in the responsibility for these claims and, on our part, are taking actions in the responsibility for these claims and, on our part, are taking actions to eliminate obvious causes by revising our acquisition philosophy and procedures; I challenge you professionals to take appropriate actions within your community and individual companies to establish procedures and means for eliminating claims.

9. NAVY RESPONDS TO 50–50 DEMAND

On this overall issue the Navy Department has responded to the deceptive private shipyard demands for more, when they already have 80 to 85 percent of the nation's shipwork as follows:

DEPARTMENT OF THE NAVY,
NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C. August 24, 1973.

Hon. ROBERT L. LEGGETT,
House of Representatives,
Washington, D.C.

DEAR MR. LEGGETT: This is in further reply to your letter of July 19th requesting our analysis of testimony given by private shipbuilding association representatives to the Senate Appropriations Subcommittee, advocating a larger share of Navy repair and alteration work for private shipyards.

The testimony appeared to focus on three areas of consideration, with most of the witnesses commenting on one or more of those areas. Our response to that testimony is contained in the enclosed discussion paper, which is divided into three parts that correspond to the three areas mentioned above. They are Policy Considerations, Workload Distributions, and Financial Considerations. I hope that the discussion paper conveys a clear evaluation of the Navy's position with respect to the matters discussed in the testimony.

Sincerely,

K. E. WILSON,
Rear Admiral, USN, Acting Commander,
Naval Ships Systems Command.

POLICY CONSIDERATIONS

Since the earliest years of the Federal Government, both the Executive and Legislative Branches recognized the need to establish Government-owned, Government-operated, and Government-funded shipyards to carry out the defense of the nation This policy has been consistently supported through the years by means of congressional appropriations. This support has permitted each naval shipyard to develop as an integrated plant with a full range of shop facilities and a full range of engineering, design, and shop-personnel skills in keeping with its mission. Each naval shipyard has a staff of craftsmen and designers capable of performing any type of work that may be required by the fleet served.

It also has been recognized that the capability and capacity of the naval shipyard is but one major element of the total-capacity base needed to support the Fleet in times of emergency. Accordingly, Government policy has been to support both sectors of the industry, allocating to each the work for which it is most suited. That flexibility rather than rigidity in these policies is necessary is evidenced by the fact that legislative regulations and administrative regulations and practices have varied in accordance with circumstances prevailing at the particular time.

The Vinson-Trammell Act was the major legislation regulating the assignment of new-construction work to naval and private shipyards. Through the years, the application of this act changed to the point that, since 1968, all of the Navy's new-construction workload has been assigned to private shipyards. The determination that led to this distribution of new-construction work was based on a number of factors, including a realization that the private shipyards, which do not encounter frequent disruptions from higher-priority active-Fleet repair work and which have exceedingly flexible employment policies, are well suited to shipbuilding.

In 1964, a legislative amendment requiring that at least 35 percent of ship conversion, alteration, and repair funds be expended in private shipyards was enacted into law. After an exceedingly thorough study, the Department of Defense sought elimination of this requirement, and the Congress concurred. Since that time, the distribution has been guided by Department of Defense regulations and guidelines which have as one of their controlling rules the basic policy concerning the proper use of commercial industrial facilities operated by the Government. The naval shipyards have been tested against these commercial/industrial facilities policies, and many operations performed by and within the naval shipyards have been turned over to private industry. The operation of the basic industrial facilities of the naval shipyards is regarded as a proper function of the Government, in view of the role that the shipyards play in the total support of the Fleet and thus, the security of the nation.

In 1967, the Department of Defense issued instructions applicable to the naval shipyards and other Government-operated industrial activities requiring that, as a general rule, 30 percent of the maintenance work required for mission-essential equipment (including ships) be assigned to private industry. Conversely, the services are to maintain, in-house, the capability of maintaining up to 70 percent of such equipment. Naval shipyard operations are in compliance with this policy.

PERCENT DISTRIBUTION OF CONVERSION, ALTERATION AND REPAIR WORK

	1968	1969	1970	1971	1972	1973
Naval shipyards	63	69	68	62	69	63
Private shipyards	37	31	32	38	31	37

Conversion work is included, along with repair and alteration work, in the above table simply because a conversion assignment consists of an aggregation of repair and alteration work items. For example, while there is some variation from ship to ship, the conversion of POLARIS submarines to POSEIDON missile capability breaks down about as follows: repairs—70 percent; alterations related to POSEIDON capability—15 percent; other alterations—15 percent. The key point is that the word "conversion" is used only to indicate that the particular alterations to be performed will change one or more of the basic characteristics of the ship.

One additional fact concerning conversion work has a major influence on where the work can be assigned. By their nature, conversions are usually long-term jobs, and the practice is to deplete the crew, permitting the remaining crew members to move their families to the vicinity of the shipyard performing the conversion. This practice does much to alleviate the problem of crew morale when ships are assigned out of home port.

Navy directives covering the assignment of work are in conformance with the aforementioned policies, regulations, and guidelines. More specifically, repair and alteration work on complex combatant ships normally is assigned to the naval shipyards, which are able to provide the full range of logistics support and which possess, in house, the skills and facilities required by the work. The overhaul of less complex ships normally is assigned to the private shipyards. In the aggregate, the assignment of conversion, alteration, and repair work in accordance with these policies has resulted in the percentage distribution shown in the foregoing table.

In summary, there are specific policies and practices applying to the assignment of all types of naval shipwork to naval and private shipyards. Adherence to these policies and practices has resulted in an expenditure distribution to approximately 35 percent to private yards and 65 percent to naval shipyards for conversion, alteration and repair work. At the same time, and recognizing that it was necessary to initiate the closure of two naval shipyards because of lack of work, it has been possible to maintain a viable naval shipyard complex capable of accomplishing the type of repair, alteration and conversion work inherent in the Navy's new highly complex ships.

WORKLOAD DISTRIBUTION

The Nation's shipyard resources serve a variety of customers and, yard by yard, normally are equipped and staffed to undertake a particular line of work. For example, there are numerous shipyards that work almost exclusively with river tug boats and barges. Others have capabilities which permit them to construct and/or to repair ocean-going

merchant ships and naval ships. Thus, the industry must be viewed segment by segment. The naval shipyards make up one major segment, a segment which specializes in the conversion, alteration, and repair of major complex combatant surface ships and submarines. Very few private shipyards have the same capability, even inherently.

During the Korean conflict the naval and private sectors of the industry each employed approximately 140,000 personnel. Today, the private sector employs about 138,000, while the naval shipyards' total employment is about 61,000. The total workload of the naval shipyards consists of conversion, repair, and alteration of naval ships and related industrial support.

The larger private shipyards (those having facilities to build ships 475 by 68 feet or larger) employed about 65,000 personnel in January 1972. Half of these personnel were engaged on Navy projects, and another 20 percent were engaged in projects involving the Maritime Administration. These figures do not include the General Dynamics yard at Groton, which is engaged almost solely in Navy work. Thus, it can be seen that by far the largest segment of shipyard employment, naval and private, is engaged in Navy work. However, the demand for the capacity of private shipyards having the capability to construct and maintain large ships is growing. This growth results from the need to use large ships in the transportation of fuels and from the devaluation of the dollar, which has made this Nation's repair yards more attractive to foreign-flag operators.

Since the Navy is by far the largest customer of this Nation's major shipyards, the distribution of Navy work is of paramount concern to shipyard operators. However, there are factors associated with Navy work and with the capability required to perform such work which are not generally understood.

The modern naval ship is not comparable to its World-War-II counterpart. Weapons systems have changed completely, as has the entire electronics suit, including data handling systems. Likewise, machinery and ship-control installations have been modernized, making their repair more difficult, but resulting in improved performance. These changes have resulted in substantial increases in the amount of work required during each overhaul. A measure of this difference is apparent from the fact that the destroyer of today costs many times more than the World War II destroyer, and this is true of every ship type. Suffice it to say, the difference is one of several orders of magnitude and impacts greatly on the capability required of the shipyards charged with supporting these ships. As examples, the peak productive manpower required during the overhaul of an aircraft carrier approximates 2,000 men per day, while peak numbers for large destroyer-type ships are on the order of 650 per day. When this fact alone is considered, it must be recognized that these ships cannot be assigned to shipyards with small employment levels. Moreover, to obtain good utilization of the many different skills that are required, work in addition to the overhaul of one of these ships must be at hand in the yard. Simply put, the overhaul of complex combatant ships is not a task for a shipyard that does not have onboard both a sizeable number of employees and a number of specialized facilities.

The Navy's home-port policy has a major influence on the localities in which ships are overhauled. When naval personnel are ordered to a ship for duty, the Navy pays the expenses involved in moving their families to the ship's home port. In this way, the opportunities for shipboard personnel and their families to spend time together are greatly increased, since ships return to their home ports after deployment. The overhaul period is the one time when a ship typically is in its home port for an extended period of time and, therefore, it provides the best opportunity for a more nearly normal family life. With the problems that have been experienced in retention of naval personnel and with the additional difficulty inherent in all voluntary recruitment, it is important that Navy life be made as attractive as possible. Consequently, the home-port policy has a paramount place among the factors affecting ship-overhaul assignments. While there have been cases where this policy could not be carried out, the fact is that during the FY 70–72 time period, less than 10 percent of the overhauls of naval ships were accomplished out of home port.

The major reduction experienced in numbers of ships in the Fleet also has affected s...p overhaul assignments. As a rule, the older ships have been laid up, and they are the smaller ships. The larger ships that have been retained required larger piers and larger drydocks which are not possessed by many of the private shipyards that formerly were able to serve many Navy auxiliary- and amphibious-type ships. As a general rule, the smaller combatant ship types today are much larger than their forerunners and, most important, require much greater depth of water because of the installation of one or more large sonar domes. This factor again limits the number of shipyards capable of servicing these ships.

There are many other factors which bear on ship assignments. Included are the kinds of shop facilities available, engineering capabilities, and facilities available to support the ship's crew. In many cases, one or another of these factors is controlling.

FINANCIAL CONSIDERATIONS

Four major studies of the cost of shipwork in naval and private shipyards have been performed over the past 12 years. Two of these studies are dated in the early 1960's and are out of date. The other two studies, done within the past two years, attempt to measure cost differentials for work completed during FY 1966–FY 1971. The study performed by the accounting firm of Ernst and Ernst was based solely on the cost of converting Navy frigates (DLGs) in one naval and one private shipyard. The study undertaken for the Navy by the consulting firm of Booz-Allen Applied Research, Inc., examines a number of specific new-construction, conversion and overhaul assignments wherein similar work was performed by both naval and private shipyards. Because of its scope and depth, the Booz-Allen study is regarded as the most authoritative of the current studies. It is considered that the differentials reported by Booz-Allen for the various types of work are indicative of actual performance at the time the work was accomplished and for the kinds of work studied. However, it is to be noted that even the Booz-Allen study does not measure the cost differentials that might be obtained for the additional work that would be assigned the private shipyards if a 50–50 distribution principle were adopted. The reason is simply that surface combatant ships, destroyer-type and larger, were not overhauled in both private and naval shipyards and thus could not be compared. Some nuclear attack submarines were overhauled in both sectors, but comparative cost data were not available. The contractor recognized such limitations in his study by including the following statement:

"The relative shipwork cost ratios resulting from this study reflect unique considerations, e.g., South Eastern Asia (within the shipwork industry) between FY 1966–1971. As such, they should not be applied literally to projection of future costs."

The Booz-Allen report, as previously indicated, contains cost differentials for conversion, repair, and alteration work separately. The conversion sample includes a very limited amount of work on frigates (DLG) and the full work package for several submarine (SSBN) POSEIDON conversions. The surface-ship sample, involving one naval and one private shipyard, amounts to two-tenths of 1 percent of all conversion work performed during the FY 1966–1971 period, while the submarine sample, involving two major private shipyards and two naval shipyards, comprised 35 percent of all conversion work. Naval shipyard costs were higher than private shipyard costs by 103 percent for the frigates and 14 percent for the submarines. The Booz-Allen comparison of repair and alteration work performed during ship overhauls is limited to amphibious- and auxiliary-type ships. For this work, naval shipyard costs were about 16 percent higher, although the differential was only 8 percent for electrical and electronic repairs. In each case, the cost differential includes inspection, contract administration and headquarters support costs. Thus, they closely approximate the costs to all appropriations.

Booz-Allen in analyzing the reasons for the cost differentials, came to the following conclusion:

"The principal causes identified for higher Naval shipyard costs were significantly higher levels of pay and fringe benefits for graded and ungraded Government employees, and higher overhead rates. Average hourly pay rates for blue-collar workers are about 17 percent higher in Naval shipyards than in private shipyards. White-collar pay for similar positions is 10 to 40 percent higher. The Naval shipyard fringe package per direct labor dollar is close to the higher of the widely varying private yard rates. Numbers of overhead personnel are markedly higher in Naval shipyards, particularly when compared to private ship repair yards. It can be deduced that most of the remainder of the differential is attributable to the maintenance of a full range of capabilities to support all types of Naval ships, lower productivity, disruptions due to responsiveness to emergent fleet requirements, and constraints on manpower management."

It has been alleged that an extra expenditure of as much as $1 billion has been necessary over the past five years because private yards were not assigned more repair and alteration work. Based on the actual dollars expended for repair and alteration work from FY 68 through FY 1972, and adjusting for a 50–50 distribution of this work at a 16 percent cost differential, savings would be just about $30 million per year. This calculation, of course, assumes that the 16 percent differential will apply to the more complex work to be performed in the future. There is no assurance that this assumption will be borne out, and, in fact, Booz-Allen has cautioned against using the differentials in this manner. In view of the size of the work packages inherent in the more complex combatant ships and considering the fact that the large private shipyards are already heavily loaded, it is highly possible that there would be no differential at all. Rather, in many cases new facilities duplicating those now existing in naval shipyards would be required and would add to the cost of performing the work in private yards.

Navy work assignments over the past several years reflect the application of the policy and work-assignment factors discussed above. The following tables show this distribution:

FISCAL YEAR 1973 CONVERSION, ALTERATION, AND REPAIR ALLOCATIONS

[Dollars in thousands]

Naval District	Naval shipyards	Private shipyards
1st	$160,730	$1,272
3d	0	246,596
4th	73,098	2,906
5th	109,312	164,683
6th	94,492	42,755
8th	0	12,374
11th	98,335	89,394
12th	128,772	15,814
13th	182,429	3,772
14th	73,372	4,055

Note: Overall the private yards received about 37 percent of the Navy's conversion, alteration, and repair work in fiscal year 1973.

In above table, the dollar values shown represent allocations as opposed to expenditures occurring for the Fiscal Year. With this proviso, it is possible to quickly analyze the figures as showing the effect of two factors. First, the high private-yard numbers in the 5th, 6th, and 11th Naval Districts reflect the home-port policy. Second, the high numbers in the 3rd and 5th Naval Districts reflect submarine overhaul and conversion work and surface-ship work in two principal private shipyards. In short, the actual allocations show that the Navy is conforming to its workload-allocation policies.

The table below shows the distribution of Navy work from a different viewpoint.

PERCENT DISTRIBUTION OF SHIPBUILDING, CONVERSION REPAIR AND ALTERATION WORK TO PRIVATE YARDS

	Fiscal year—			
	1970	1971	1972	1973 (budget)
Shipbuilding	100	100	100	100
Conversion	44	69	53	56
Repair and alterations	26	16	19	27
Conversion, alteration, and repair	32	38	32	37

The words "equitable share" have been used in discussing the appropriate allocation of naval shipwork. However, in the final analyses, the distribution must be based on those factors which provide the best fleet in all respects, including a balance of performance, manpower, costs, etc. The above table shows that application of these considerations has resulted in assignment of all new construction in recent years to private yards. Roughly one-half of the conversion assignments have been made to private yards, reflecting (among other things) the fact that ship crews are skeletonized and home ports are changed for major conversion work. The distribution of conversion, alteration, and repair work is, as stated before, well within Defense Department policy and, as stated elsewhere in this paper, reflects the fact that conversion work is simply repair and alteration work. These distribution patterns, as indicated above, have evolved from experience as to the needs of the Navy. The fact that 100 percent of new shipbuilding work is assigned to private shipyards could not be considered "equitable" when there is no distribution of this work among Navy yards. There is not, on this basis, an equitable distribution of all types of work, but simply a proper distribution of work, all factors considered.

Realigning the distribution of repair and alteration work to a 50–50 division between naval and private shipyards would require assignment of approximately 15 complex ship overhauls to private shipyards in each of the next few years. Considerations include the fact that there is no assurance that the private shipbuilding industry can accomplish this work with the facilities and labor market now available to it. The fact is that the larger, more capable private shipyards are heavily loaded and are experiencing labor-market problems. From the naval shipyard side, removal of this work would reduce the employment in the remaining shipyards to a point below their lowest efficient levels. Thus, unit cost would rise and overhaul durations would grow. Both of these results would be detrimental to the readiness of the fleet. Also, in all probability the pressure to close other naval shipyards would rise.

In this same connection, statements have been made concerning the importance of maintaining a private shipyard base on which to expand in time of emergency. As a matter of fact, the naval shipyard base is being reduced by the closure of Boston and Hunters Point. It has been determined that this loss is worth risking. However, still additional closures would mean the loss of major capabilities now in being which are suitable for all kinds of complex naval ship conversion, alteration, and repair work. Transfer of work of this type from naval to private shipyards with limited physical assets would be to place it in plants fully loaded, rather than in plants with much greater capability and with greater capacity to expand.

POINT PAPER ON SHIPBUILDERS COUNCIL OF AMERICA BROCHURE

The Shipbuilders Council of America and other shipbuilding industry associations have developed a brochure which calls for the assignment of 50% of naval ship repair and alteration to private shipyards. The claims in the brochure are examined below.

A. Capability to Handle Complex Ships

1. Currently there are 10 naval shipyards (Boston and Hunters Point are scheduled for closure), employing approximately 66,000 civilian employees. All of these public shipyards have complete, integrated facilities and services to accomplish the specialized overhaul and repair work on complex ships included in their missions.

2. In the private sector, there are 205 shipyards and related industries with master repair contracts. Of these only 81 provide the principal potential for Navy use for ships 300 feet and over. Most of these shipyards, except the few larger ones, do not have full capability to perform the complex overhauls required on combatant type ships. This forces the private shipyards to make extensive use of subcontractors, with the attendant risk of strikes and uncertain quality of work. In addition, only one private shipyard can drydock aircraft carriers after construction and only five can dock DLG 26 class frigates. Moreover, the majority of private shipyards are much smaller than naval shipyards in terms of employment, investment and the range of shop facilities.

3. In spite of the overall disparity in capacity, size and capabilities of the workforce, the Navy has made every attempt to equitably distribute the workload between the public and private sectors. For example, all new construction work has been assigned to private shipyards and, in compliance with DOD Depot Maintenance Instructions, a 70/30 repair, alteration and conversion balance has been adhered to as closely as possible.

B. Performance on Meeting Completion Dates

1. Statistics developed for a regular monthly report to CNM show the following performances. The data reflect the history of each ship undergoing an availability in a naval or private yard on 28 February 1973.

Navy Shipyards (regular overhauls)

Total availabilities	73
Number of slippages	23*
Total delay (days)	1,374
Average delay (days)	37.1

Private Shipyards (regular overhauls)

Total availabilities	16
Number of slippages	*28
Total delay (days)	682
Average delays (days)	42.6

*Any extension of the availability which occurs subsequent to the start of the availability is counted as a slip. For example, the OPPORTUNE at SUPSHIP Five had 7 delays for a total of 98 days.

2. The naval shipyard availabilities primarily involved complex combatant ships while the private yards overhauled amphibious and auxiliary types.

3. The major reasons for these delays are attributed to work growth, new work, trial discrepancies, additional test and check out problems and manpower imbalances.

C. Cost Comparisons (Booz-Allen)

In November 1971, NAVSHIPS retained the firm of Booz-Allen Applied Research, Inc. to assist in a study of comparative costs of building, converting and repairing naval ships in naval and private shipyards. Price Waterhouse and Company assisted the prime contractor. Details are shown in attachments 1 and 2. Discussion follows:

1. Four levels of cost comparison were undertaken. The one that appeared most representative was defined as the Department of Defense cost level, which includes adjustments for costs, such as military pay and to the work being compared but not directly charged to the work. The report shows that naval shipyard costs were higher than private shipyard costs for the circumstances under which that work was performed.

a. Surface ship and submarine new construction (shipbuilding) were about 35% higher in the naval shipyards.

b. Conversion of guided missile frigates is unique. Work involved only one naval and one private shipyard. The work covered only $\frac{7}{10}$th of one percent of total conversion work during FY '66—FY '71. From this small sample, the naval shipyards were 103% higher.

c. Submarine conversion accounted for 35% of the total conversion work performed during the study period. For these conversions, the naval shipyards were 14% higher.

d. Comparison of repair and alteration work performed during ship overhauls is limited to amphibious and auxiliary ships. For this work, naval shipyard costs were about 16% higher.

2. Factors identified which place the naval shipyards at a cost disadvantage include:

a. the higher pay levels and fringe benefits for naval shipyard salaried and hourly employees stemming from federal regulations,

b. the relatively greater time required to balance naval shipyard work force to changes in workload,

c. the low workload level being experienced by the naval shipyards which results in underutilization of physical capacity and, thus, higher costs.

The differentials identified in the report are a measure of the insurance premium the Government pays to have full capable, strategically located shipyards ready to give immediate industrial support to naval ships. It is the responsibility of Navy management to keep this premium to a minimum while still insuring complete response to fleet readiness requirements.

D. Navy/Private Split of Alteration and Repair Work

1. The following plans have been made for the split of repair and alterations work between navy and private shipyards, based on productive man hours:

SHIP REPAIR, ALTERATION AND CONVERSION WORK SPLIT [1]

	Fiscal year—				
	1974	1975	1976	1977	1978
Navy	68.5	69.2	70.3	67.2	73.4
Private	31.5	30.8	29.7	32.8	26.6

[1] Forecast as of November 1972.

2. THE NAVY/PRIVATE YARD SPLIT OVER THE PAST 6 YEARS (1 BUDGET YEAR) HAS BEEN

REPAIR AND ALTERATION DOLLARS

[$000,000 omitted]

Fiscal year	Naval	Private	Total	Percent private
1968	$668	$264	$932	28
1969	665	236	901	26
1970	593	214	807	26
1971	687	135	822	16
1972	760	177	937	19
1973 Bud	773	283	1,056	27

REPAIR, ALTERATION AND CONVERSION DOLLARS

[$000,000 omitted]

Fiscal year	Naval	Private	Total	Percent private
1968	$797	$476	$1,273	37
1969	796	364	1,160	31
1970	782	363	1,145	32
1971	869	538	1,408	38
1972	986	435	1,422	31
1973 Bud	1,009	585	1,594	37

REPAIR, ALTERATION, CONVERSION, AND NEW CONSTRUCTION DOLLARS

[$000,000 omitted]

Fiscal year	Naval	Private	Total	Percent private
1968	$797	$986	$1,783	55
1969	796	716	1,512	47
1970	782	2,264	3,046	74
1971	869	2,248	3,117	72
1972	967	2,433	3,420	71
1973 Bud	1,009	2,026	3,035	67

E. One Billion Savings?

1. Booz-Allen found that repair and alteration work in naval shipyards was 23% more costly at the Cost to the Government level; 16% at the Cost of the Department of Defense level.

2. The SCA brochure states, "By using higher cost naval shipyards, extra expenditures of as much as $1 billion have been necessary over the past five years!" The context is clearly "repair, alteration and overhaul."

3. Using the FY 1968 through 1972 cost data in the table above and by adjusting for the 32% and 16% differentials, the following savings for the entire five year period can be postulated:

At 23% differential, savings equal $219 million.

At 16% differential, savings equal $152 million.

ALLOCATION OF NAVY SHIP REPAIR AND ALTERATION WORK BETWEEN NAVAL AND PRIVATE SHIPYARDS

Background

The Shipbuilders Council of America is again sponsoring legislation requiring a mandatory distribution of 50 percent of the ship alteration and repair work to the private sector. The recurring dispute over the distribution of conversion, alteration and repair work between naval and private shipyards is not actually over the split of dollars between naval and private shipyards but in essence about which private shipyards get the work. Tab A indicates that the Navy has consistently complied with both the letter and the spirit of SECNAVINST 4S60.42A in maintaining at least the required 70–30 percent distribution of mission essential maintenance (conversion, alteration and repair work). In addition to this the private sector has received 100% of the new construction since FY 1967.

Discussion

Since FY 1967 the size of the active-Fleet has decreased approximately 33 percent. There has been a 48% reduction in the number of auxiliary, amphibious and small non-combatant ships, normally assigned to the smaller private shipyards. Additionally, the older 02, 03 and T2 auxiliary and amphibious ship hulls are being replaced by larger more complex amphibious and combatant support ships. An example of the impact of these larger ships on the ability of the smaller private shipyards to compete for Navy work is the marked reduction in the number of commercial drydocks available to handle these larger, deeper draft ships as opposed to the older ships being phased out.

Tab B illustrates that during this period of reductions in the size of the active Fleet and assignment of all Navy new construction to the private sector, the employment of the naval shipyards has declined about 27 percent while that of the private shipyards has only suffered an overall six percent reduction. This again indicates that the real controversy is not so much over the total dollar value of Navy work available to the private shipyards but over the distribution of this work within the private sector. Additionally the large percentage of the budget devoted to aircraft carrier, nuclear ship (surface and submarine) and complex missile ship maintenance, and the increased emphasis on overhauling ships in homeport have reduced the work available to certain private shipyards.

In fiscal year 1972 about 65 percent of the total conversion alteration and repair budget was allocated to aircraft carrier, submarine, nuclear surface ship and complex missile ship repair. This work by virtue of the facilities and capabilities required is limited to public and several large private shipyards. The percentage of maintenance funds allocated to this category of work is expected to increase in future years as the current building programs introduce more nuclear powered and complex missile system ships into the Fleet replacing the World War II carriers, destroyers and submarines. As shown in Tab A, the allocation of shipwork in FY 1974, assigns 29.7 percent of the alteration and repair and 41.6 percent of the conversion, alteration and repair work to the private sector. A study to determine the impact of a mandatory higher allocation of alteration and repair work in FY 1974 to the private sector indicates that if all remaining commercial type shipwork were assigned private the percentage of alteration and repair work could be increased only about five percent to 34.5 percent. If a 50 percent split were required in FY 1974 approximately 15 complex missile ship overhauls, for which there is extremely limited capacity in the private sector, would have to be assigned private. Achieving this split would decrease the eight remaining public shipyard employment by about 14,000 from the approximately 60,000 projected for FY 1974. This study did not consider workload balancing, schedule dates requirements, homeport policy or any of the other normal work assignment considerations and left only the carrier, submarine, complex missile ship overhauls and highly specialized or high security work in public shipyards.

The "Homeport Policy" of accomplishing overhaul and repair of ships in their homeport has repeatedly come under criticism with one or two examples cited in an attempt to show faith on the part of the Navy in administering this policy. The fact that for fiscal years 1970 thru 1972 less than 10% of the overhauls have been accomplished out of homeport illustrates that every effort is being made to keep ships in homeport while accomplishing the required maintenance. This 10% figure for out of homeport overhauls does not include those overhauls of over six months duration, principally for carriers, nuclear ships and missile ship overhauls which qualify for a change of homeport. However, as mentioned previously, these ships are limited in assignment to naval or several large private shipyards which have the required facilities and capabilities and thus would not be available to the smaller shipyards. The fact that the effect of the homeport policy is being felt in public as well as private shipyards is borne out by the fact that the greatest percentage employment reductions since 1967 have been experienced in naval shipyards not located in the major Fleet homeport areas. For example during this period Philadelphia Naval Shipyard, Portsmouth Naval Shipyard and the San Francisco Bay Area Naval Shipyards (Mare Island and Hunters Point) have experienced 40%, 45% and 35% reductions in civilian employment respectively.

Conclusion

The nature of the shipyard work required to support the naval Fleet is changing as evidenced by the greater percentage of maintenance funding being allocated to carriers, submarines and complex missile ships, by the current emphasis on special programs such as the 1200 psi and sonar rubber window programs and by the substantial increase in size of amphibious and combat support ships. All of those trends to greater complexity and size presage a further shift of work to the limited number of public and private shipyards having the large drydocks and extensive capabilities required. The number of private shipyards with these capabilities is limited and, when coupled with the homeport policy, inadequate at the present time to undertake the proposed 50% distribution of ship alteration and repair work. Facilities and capabilities would have to be developed by the private yards to undertake the approximately 15 complex missile ship overhauls that would have to be assigned to the private sector to achieve the 50% distribution of alteration and repair work in FY 1974. At the same time, because of serious underutilization, additional naval shipyards would have to be closed, aggravating the already serious shortage of large drydocks. The net effect of the shift to 50% distribution would greatly increase capital costs, and much more importantly, severely disrupt Fleet operating schedules and ship readiness during the long transition period.

SHIPYARD ALLOCATION BETWEEN NAVAL/PRIVATE SHIPYARDS, FISCAL YEARS 1962-73

[In millions of dollars]

Naval			Private			Total			Percent private		
A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC
394.3	600.2	1,372.6	133.4	165.8	1,786.6	527.7	766.0	3,159.2	25.3	21.6	56.6
309.9	598.2	872.4	140.5	326.7	2,214.8	450.4	924.9	3,087.2	31.2	35.3	71.7
315.0	708.9	1,030.9	151.0	299.3	1,690.1	466.0	1,008.2	2,721.0	32.4	29.7	62.1
433.0	455.7	896.8	148.6	220.5	1,582.0	581.6	676.2	2,478.8	25.6	32.6	63.8
511.0	677.1	932.4	349.6	370.3	1,760.7	860.7	1,047.4	2,693.1	40.6	35.4	65.4

SHIPYARD ALLOCATION BETWEEN NAVAL/PRIVATE SHIPYARDS, FISCAL YEARS 1962-73—Continued

[In millions of dollars]

Naval			Private			Total			Percent private		
A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC	A. & R.	CAR	CAR & NC
664.1	689.1	695.6	352.5	474.0	2,301.3	1,016.6	1,163.1	2,996.9	34.7	40.8	76.8
667.9	796.8	796.8	264.1	475.6	986.3	932.0	1,272.4	1,783.1	28.3	37.4	55.3
665.0	796.4	796.4	235.5	364.2	715.8	900.5	1,160.6	1,512.2	26.2	31.4	47.3
593.3	781.5	781.5	214.4	363.5	2,264.0	807.7	1,145.0	3,045.5	26.5	31.7	74.3
686.6	869.4	869.4	135.1	538.3	2,247.8	821.7	1,407.7	3,117.2	16.4	38.2	72.1
760.1	986.9	986.9	176.8	435.3	2,433.2	936.9	1,422.2	3,420.1	18.9	30.6	71.1
772.9	1,009.2	1,009.2	282.9	585.1	2,025.8	1,055.8	1,594.3	3,035.0	26.8	36.7	66.7
851.6	1,051.1	1,051.1	359.9	749.4	4,407.7	1,211.5	1,800.5	5,458.9	29.7	41.6	80.7

Key: A. & R.—Alteration and repair; CAR—Conversion, alteration, and repair; NC—New construction; budgeted.

SHIPYARD EMPLOYMENT

[In thousands]

Calendar year	Naval shipyard	Private shipyard
Average:		
1962	97.8	
1963	93.9	
1964	87.4	116.8
1965	83.8	128.9
1966	85.4	143.6
1967	94.5	140.0
1968	95.2	141.0
1969	91.0	142.0
1970	83.0	132.7
1971	75.5	129.7
1972	70.1	134.5

Source: Shipbuilding Council of America "Statistical Quarterly, 1st quarter CL 1973."

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., November 12, 1973.

Hon. ROBERT L. LEGGETT,
House of Representatives,
Washington, D.C.

DEAR MR. LEGGETT: This is in response to your request for information on the impact of a proposed statutory requirement that at least 30% of all Navy ship repair and alteration work be assigned to private shipyards.

In testimony and information provided for the record during the Congressional hearings on the DOD Appropriation Bill, the Navy indicated that 29.7 percent of the total ship alteration and repair funds were programmed for the private sector. This estimated percentage has shrunk to 29.2. The corresponding percentage for conversion, alteration and repair work was 41.6 percent. The latter percentage has subsequently been reduced to 33.0 percent because of the deferral of 3 SSBN conversions (programmed for private yards) to FY-75.

A proposed statutory requirement that at least 30 percent of ship alteration and repair work be assigned to private yards, if enacted, will require a change in Navy planning to ensure full compliance. Experience in five successive fiscal years has shown that amounts budgeted for private yard alteration and repair work exceed actual obligation by an average of 2.8 percent. Accordingly, in order to ensure that a minimum of 30 percent of alteration and repair work is actually achieved in the private sector, approximately 33 percent of the work would have to be scheduled.

I have enclosed a discussion paper which outlines the actions that would have to be taken and the conditions that would arise if the 30% requirement is enacted. Summarizing:

a. In FY 1974, Fleet operational schedules would have to be changed since ships currently scheduled for naval shipyards would have to be earmarked for transfer to private shipyards. This would entail delays in overhaul start dates to allow time for transfer of advance planning to the appropriate Supervisor of Shipbuilding and for consummation of a contract with a private shipyard having the requisite capabilities. In addition to the delays in overhaul start dates, it is anticipated that at least five of the ships involved would have to be overhauled out of homeport and that at least two would have to be accomplished on a split-bid basis (separate contract awards for topside and drydock work) because of the shortage of adequate drydocks in the private sector.

b. The impact on naval shipyard employment would be much more severe than a casual review of the projected employment levels detailed in the discussion paper would indicate. There is an uneven flow, year to year, of surface-ship and of submarine work. Accordingly, unless flexibility in ship assignments is permitted, four of the eight naval shipyards, which specialize in one or the other type of work, would be in a position where substantial numbers of employees must be hired, then fired, then hired again, all within a two year period. Whether this can be accomplished in today's labor market is problematical and, certainly, productivity would suffer. Moreover, with the average employment level of approximately 57,500 that would result from the 30% requirement, the eight naval shipyards would have their efficiency lowered, both because of the impact of fixed overhead and because limited manpower would preclude fully effective manning of ships under overhaul. Adequate manning and more efficient operation were the principal objectives sought in undertaking the closure of two naval shipyards. Enactment of the 30% requirement would negate the gains anticipated.

The problems which are summarized above and supported in detail in the discussion paper result from the inflexibility inherent in the proposed requirement that at least 30% of Navy repair and alteration work be assigned to private shipyards. It is recognized that, as presently worded, the proposed 30% requirement contains no provision for deviation when deemed necessary by appropriate authority in the executive branch of Government. It is considered that such authority is essential if emergencies that may arise are to be coped with expeditiously. However, based on experience gained during the early 1960's with a similar requirement, it can be assumed that the authority to deviate would not be invoked simply for reasons of economy. Therefore, the inclusion or omission of such authority would probably make little difference insofar as day to day ship assignments are concerned.

In summary, the Navy position is that it must have flexibility if it is to manage efficiently the uneven flow of different types of Navy ship repair and alteration work. At the same time, the importance to the Navy of private ship repair capability has been demonstrated by the substantial amounts of repair and alteration work that have been assigned to the private shipyards. Enactment of the 30% requirement will destroy this flexibility, thereby disrupting Fleet operational schedules and lowering naval shipyard efficiency. Additionally, an administrative burden of considerable magnitude would be created and would further deplete already insufficient funds.

Sincerely,

J. WILLIAM MIDDENDORF III,
Acting Secretary of the Navy.

Impact of mandatory 70/30 Naval/private split in Navy alteration and repair work

FY 1974:

A. Current FY 1974 distribution based on present assignment and the House and Senate Armed Services Committee Joint Conference Report:

	Percent
Alteration and repair (A&R) work to private yards	29.2
Conversion, alteration and repair (CAR) work to private yards	33.0

The decrease from 41.6% to 33.0% of CAR work to private yards is due to congressional action to defer 3 SSBN conversions from FY 1974 to FY 1975 program.

B. To insure the assignment of the proposed required 30% A&R work to private yards, the Navy must schedule approximately 33% A&R private. (Otherwise the minimum 30% A&R might not be realized due to late program changes, changed work packages, etc.)

Therefore, approximately $400M A&R work must be assigned private. This is an increase of approximately $44M above that currently scheduled and will require rescheduling and reassigning the following ships from naval shipyards to the private sector.

SHIP, AVAILABILITY DATES, NAVAL SHIPYARD, AND COST

LPD-13: 1/27/74-6/27/74, Norfolk, $5.7M.
AD-18: 1/1/74-5/24/74, Charleston, $4.4M.
AOR-1: 5/1/74-1/17/75, Long Beach, $8.5M.
AD-15: 4th Qtr FY 74, Long Beach, $3.2M.
LPD-8: 1/8/74-5/31/74, Long Beach, $5.7M.
LSD-28: 1/14/74-6/14/74, Long Beach, $5.3M.
DDG-6: 4/19/74-12/9/74, Philadelphia, $9.6M.
Total, $42.4M.

Additional reassignments will be required to level the remaining naval shipyard workload and minimize the impact on naval shipyard employment:

SHIP, AVAILABILITY DATES, FROM AND TO

DE-1049: 6/14/74-12/20/74, Charleston, Philadelphia.
DEG-1: 1/21/74-9/21/74, Puget Sound, Long Beach.

These actions will reduce the required end of Fiscal Year (EOFY) 1974 eight naval shipyard employment from 59,900 to 56,450 (com-

pared to the September 30, 1973 eight naval shipyard employment of 56,195). The effect of these actions on individual naval shipyard employment in FY 1974 would be as follows:

Naval shipyard	Employment		
	Sept. 30, 1973 on-board	Required EOFY 1974 current sked	Required EOFY 1975 70/30 split
Portsmouth	5,322	5,900	5,500
Philadelphia	7,193	7,500	6,600
Norfolk	9,731	10,200	9,650
Charleston	6,114	6,900	6,200
Puget Sound	8,759	9,200	8,850
Mare Island	7,345	7,700	7,700
Long Beach	6,853	7,300	6,750
Pearl Harbor	4,878	5,200	5,200
Total	56,195	59,900	56,450

Reassignment of these ships to the private sector will impact on the Fleet operational schedule since January overhaul starts such as LPD–13, AD–18, LPD–8 and LSD–28 will have to be delayed to a later start date to allow adequate time for transfer of the advanced planning from naval shipyards to the appropriate Supervisor of Shipbuilding offices and for consummation of contracts. Additionally, it is estimated that at least five of these ships will have to be overhauled out of homeport and that at least two will have to be accomplished on split bids because of the shortage of adequate drydocks in the private sector with a resultant 6–8 week increase in overhaul duration.

The general impact on naval shipyard employment is that hiring must be severely curtailed now to avoid overshooting the reduced EOFY 1974 employment and that reductions of employment at the Philadelphia and Long Beach Naval Shipyards will be required in third and fourth quarters. These actions certainly will delay completion of some of the ships assigned naval shipyard overhaul during the period.

FISCAL YEAR 1975

A. Current FY 1975 distribution based on Navy Budget Submission to OSD/OMB:

Percent

Alteration and repair (A&R) work to private yards ..... —21.4
Conversion, alteration and repair (CAR) work to private yards ..... —32.2

B. If this legislation is passed in FY 1974 it must be anticipated that similar legislation would be invoked in FY 1975 which would require assignment of approximately $460M of A&R work to private yards (an increase of $90M above the currently scheduled dollar value of A&R of $370M). To increase the A&R work assigned private in FY 1975 would require the reassignment of the following ships:

SHIP, NAVAL SHIPYARD, AND COST

AOR–2, Philadelphia, $11.8M.
AOE–3, Norfolk, $11.3M.
AOE—4, Norfolk, $11.2M.
DD–724, Philadelphia, $5.8M.
DD–820, Philadelphia, $4.4M.
DD–847, Philadelphia, $5.7M.
DE–1038, Charleston, $4.0M.
SSN–674, Portsmouth, $18.8M.
SSN–666, Pearl Harbor, $20.3M.
Total $93.3M.

These actions would reduce the required EOFY 1975 eight naval shipyard employment from the current number of 63,500 to 58,700 and would have the following impact on individual shipyards:

	Employment	
	Current end of fiscal year 1975 required	Revised end of fiscal year 1975 required 70/30 A. & R. split
Naval shipyards:		
Portsmouth	6,000	5,200
Philadelphia	7,800	7,200
Norfolk	11,000	10,000
Charleston	7,600	6,200
Puget Sound	10,000	10,000
Mare Island	7,600	7,300
Long Beach	8,100	7,500
Pearl Harbor	5,400	5,300
Total	63,500	58,700

Thus attaining a mandatory 30% A&R work assigned private in FY 1975 would require reductions of employment in Portsmouth and Mare Island Naval Shipyards during FY 1975 with modest increases in Philadelphia, Norfolk, Puget Sound and Long Beach Naval Shipyards required to handle the larger number of guided missile destroyers in the FY 1975 program.

GENERAL IMPACT OF MANDATORY 70/30 DISTRIBUTION OF A AND R WORK

The overall impact of this action in FY 1974 and 1975 would be to limit the eight naval shipyard employment for the bulk of this two year period to a level appreciably under the low efficient employment of 58,600 for the eight shipyard complex. This lowered employment level makes for less efficient operation, longer required durations of overhaul and under utilization of facilities. At the same time, in order to achieve the required split, ships such as AOR's, AOE's and DDG's would have to be assigned to the private sector which has limited facilities and personnel to handle these ships.

Comparing the end of fiscal year employment for 1974 and 1975, illustrates one of the major problems caused by a mandatory distribution of A&R work. This problem arises from the difference in the mix of A&R work by ship type in different fiscal years. Note that both Philadelphia and Long Beach Naval Shipyards must reduce employment in FY 1974 to make the required distribution but increase employment in FY 1975 to handle the increased number of DDG's, DLG's, and DE's (with the rubber window SONAR alteration) in the FY 1975 program. Also both Portsmouth and Mare Island Naval Shipyards are relatively unaffected in FY 1974 but must reduce employment levels in FY 1975 to achieve the required A&R split. Thus, half of the eight naval shipyards are cycling employment from hire to fire and hire again to balance workforce with workload during a two year period. The task of balancing workload and stabilizing naval shipyard employment at efficient levels sufficient to handle the cyclic work category requirements inherent in Fleet A&R work will become an impossibility with the imposition of a mandatory requirement for the assignment of 30% of Navy alteration and repair work to the private sector.

The situation is drastic. The effect of imposing a restriction like this in the middle of a year will cause the Department of the Navy to reapportion $40 million worth of work in small categories, and that is going to cause severe disruption of the Department of the Navy program.

The Acting Secretary of the Navy, Mr. Middendorf, has written a letter to me on behalf of the Navy, which I have delivered to the chairman of the whole committee, and he points up there very clearly the problems that are going to be caused by this rather mischievous amendment in committee. The private yards are not going to gain anything out of this. The Treasury will not gain anything out of this amendment. It is only going to cost the Government money if the Wyman amendment is not passed. I am talking about the amendment that was passed in committee that is not going to save the Government any money.

The private yards are not in extremis. They have expanded since we were here a year ago about 4,000 men. As far as the total budget of private yards in this category is concerned, when we first were complaining about repairs and alterations in private yards, back in 1971 they were getting $135 million, in 1972 they got $176 million, in 1973, last year, they got $282 million, and this year they are programed for a whopping $359 million, and they still want to foul up the Department of the Navy.

Not only have they expanded in that category where they have some 29.7 percent of the work, but they have programed some 66.1 percent of the work of conversions and 100 percent for the past 7 years of all of the new construction in the United States. The net effect of that is that where back in 1953 the private yards had about 32 percent of the Navy's business, and in 1963 they had 62 percent, and last year they had 66 percent, the private yards for this year are going to get better than 80 percent of the Navy's work.

If we add that to the private work that the yards are going to get in the private sector, and if we include all of the private shipbuilding and all of the public shipbuilding in the United States, the private yards, as is shown in the papers I have filed with the committee and included in the record, have 86 percent of all of the ship work done in the United States, and still they want more money.

The statement has been made that we have driven two naval shipyards out of business.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. LEGGETT was allowed to proceed for 3 additional minutes.)

Mr. LEGGETT. We have not driven two naval shipyards out of business. We have driven San Diego out of business; we have closed up New York; we are in the process of closing up Boston with 1,500 people left. We have 1,500 people left at Hunter's Point. The Navy Department is down to some 56,000 men in all of the eight remaining naval shipyards, seven of them in the continental United States. They say if they are going any lower than that, they are going to run into vast inefficiencies, and they are not

going to be able to operate at a cost effective level.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the Wyman amendment and associate myself with the remarks of the gentleman in the well.

Mr. LEGGETT. I could just embellish that. In 1962 private yards had a total business, commercial and Navy, of $1.6 billion; in 1967 they had $2.2 billion; in 1971 they had $2.6 billion; in 1972 they had $3.3 billion; and last year they had $5.6 billion, and they will be breaking $6 billion in the current year.

So anybody who says we have got to keep the private yards in business by this kind of limitation, anybody who says they have to hamstring the Navy Department and cause the laying off of 3,500 people in the Navy yards by this mischievous limitation, I am prepared to argue with.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Mr. Chairman, I have a rather pertinent question for the gentleman from California and that is this. This bill was not reported by the full committee until the 26th of November. I am curious as to how the gentleman can get information from the Navy on something that was not made public until the 26th of November, on a date of November 12.

Mr. LEGGETT. Very good. I am pleased the gentleman would ask that question, because I made a 37-page presentation before the gentleman's committee on a day when he was not present. That is part of the official record and part of the documentation the gentleman has before him. It spells out exactly the position of the Navy and it contains the letter from the Navy. We have circulated to the gentleman better than a week ago a letter from the Assistant Secretary of the Navy.

As to how I got the information as to what was being done in the committee, I talked to the gentleman from New Hampshire, who is a member of the committee, and then I sought the Navy's views.

Mr. DAVIS of Wisconsin. Did the gentleman from New Hampshire (Mr. WYMAN) give the gentleman from California this information prior to the 26th of November?

Mr. LEGGETT. Certainly he did.

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

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

Mr. HOSMER. Mr. Chairman, it is obvious this information is in the tables that were given to the committee last July and printed in the committee record and so there is no problem about that.

Mr. WILLIAMS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire (Mr. WYMAN).

Mr. Chairman, I want the Members of the House to know that in my district I have one of the largest and finest private shipyards in the country. I can tell the Members that shipyard has an ample amount of work, more than an ample amount of work, and so does every other private shipyard that I know of.

What we have been doing for a number of years is creating a serious imbalance. We have just heard we put 80 percent of the naval work into private shipyards which are already loaded up with work.

I rise in support of this amendment because the naval shipyards are equipped to handle the type of work which many private shipyards cannot handle. They are employing 50 to 60 percent of the numbers they were employing 4 or 5 years ago.

We cannot afford to create this tremendous imbalance and maintain it. What the Wyman amendment does is just restore a little bit of balance. It does not correct it.

I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, I take this opportunity to commend my colleague from Pennsylvania insofar as his information on the Sun Shipyard is concerned. As you know, it is directly across the river from my district. The Sun Shipyard is one of the finest shipyards in the world. They have some excellent facilities for producing what we call oil tankers.

I, likewise, as the gentleman from Pennsylvania is doing, support Mr. WYMAN's amendment, because as I said yesterday, if we do not support this amendment, we are going to cut out jobs in our naval shipyards. The Philadelphia Naval Shipyard, for one, will lose 900 people. It is utterly ridiculous to put any more naval work in the private shipyards, when we know they should be building tankers for the energy crisis.

Mr. WILLIAMS. Mr. Chairman, I thank my colleague for that statement.

I would like to point out that someone made a statement yesterday in opposition to the Wyman amendment, that three major shipyards are doing most of the naval conversion work. The fact of the matter is that there are only a very limited number of private shipyards that can do the work that is being done by the naval shipyards. In fact, they just do not have the facilities to handle them in most cases.

I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, yesterday I was amazed at some of the comments that all naval alterations and repairs are predictable and are susceptible to long-range planning. There are great unforeseen crises, as when a carrier catches fire, or when there is a gun turret explosion on a cruiser, as we have sadly seen in recent months and years. I have had it on authority from the Navy that they need flexibility in making yard assignments to carry out these repairs efficiently and promptly. The language of the bill as it is now worded would impede this flexibility. I urge a "yes" vote on the Wyman amendment.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for his point, because in cases where we have a major fire on board aircraft carriers, it is only a naval shipyard that can do the necessary repair work. There are very few yards in this country where work can be done on large carriers, such as the *Enterprise*, the *J.F.K.* aircraft carriers, and other ships of bigger sizes such as cruisers. So, as a man representing a district which has a fine large private shipyard in it, that has had a chance to see what has been done to our naval shipyards, we have already closed two down and we are running 50 to 60 percent of employment in the balance of them.

Let us take a small step toward rectifying this imbalance. I urge all of my colleagues to vote for the Wyman amendment.

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

Mr. Chairman, at times the military services have considerable resistance to the desire of Congress to have control over the purse strings. The question of credibility arises here. Navy witnesses appeared before the committee—and it is printed in the hearings—they said in July and they said in September, "We are going to give about 70 percent of overhauls, repairs and alterations to Navy shipyards and we are going to give about 30 percent to the private yards."

They said it and they resaid it. I believe some of those who discussed this matter yesterday agreed that was correct.

Therefore, why do we have this amendment, since the Navy is going to do it anyway?

This sort of tests the credibility of the Navy. I say, if we cannot depend upon the armed services to be square with us, it is time we were learning that they cannot be relied upon to give us the facts.

It is my recollection when this matter arose in the mark up, the subcommittee was unanimous for the amendment.

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

Mr. MAHON. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, I was present in the mark up, but the conversion of submarines was not included in this and I was assured in the process of the mark up that this would not have any adverse effect or have any relationship to yards of this type. The net effect of having it limited to alteration, overhaul and repair as distinct from alteration, conversion, and repair, puts this responsibility on the Navy.

Mr. MAHON. Mr. Chairman, we do not include conversions. We are talking about repair, overhauls, and alteration. The Navy's plan is to divide this program 70–30. We have said it and resaid it; can we believe the Navy, or not, or

shall we just go ahead and give them a blank check and say, "The Congress does not count, go ahead and do as you please."

I think this is a good chance to test the credibility of the Navy. Will the Navy tell the Congress the truth, or will it tell us one thing when the money is being sought and tell us something else after the Navy gets the money.

The Navy tells us that there will be an increase of employees in its yards, a slight increase. That is what the Navy has advised the committee. If they cannot be relied upon, well, I am sorry.

So, what we have simply done here is to put the imprimatur of the Congress on the decision of the Navy as to the way it is going to divide the repair and alteration work to be done in fiscal year 1974. So, I am amazed that there would be so much interest in this by all the people from the naval shipyard areas, and there are eight of them. They do have a special interest and I do not blame them for being concerned, but we are all concerned about the maintenance of an adequate public yard program. We have these eight public yards and we want to keep them, and so we simply say in this amendment, "Navy, you go do what you told us you are going to do."

The committee proposes to hold the feet of the Navy to the fire. There are those who say that we should not give the services a blank check. But when we offer to tie them down and try to get a little better control of the funds provided for the Department of Defense, people object. In effect they say: "Let them do as they please."

I think the Navy end runs the Congress too much. I just want to say that I do not have any shipyards, public or private, in my inland area. However, I do have a sense of fairness and I do hope this amendment will be voted down with a resounding vote. This will convince the Navy that making end runs, by telling the committee and the Congress one thing, even putting it in black and white in the hearings and then trying to get it changed will get them nowhere.

I want to warn the Navy that this type of tactics has to stop and the committee will not put up with it.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

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

Mr. HOSMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment close in 10 minutes.

The motion was agreed to.

Mr. PATTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are caught by surprise with this amendment.

In New Jersey we had some of the largest private shipyards that this country needed in World War II and in the Korean war. We had the big New York shipbuilding concern down at Camden; we had Todd, with 50,000 employees in Hoboken. If we are thinking of the national interest, you should not destroy them.

Mr. Chairman, this amendment should be voted down.

I wish to be associated with the remarks of my committee chairman. Let the Navy give at least 30 percent of the repair work to private shipyards, because we have to sustain them, and if we have trouble, we will wish that they were in existence.

Mr. HOSMER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The time has been limited. The gentleman from California (Mr. HOSMER) will be recognized for 2½ minutes.

Mr. HOSMER. Mr. Chairman, if the gentleman from Texas, the chairman of this committee, were talking about a subject wherein the Navy could make and ascertain the facts in advance for 12 or 14 months or even a 24-month period, as it must do when it is preparing its estimates and its requests for appropriations, and do that with absolute accuracy, and then it came in and changed what it said, that would be one thing.

However, we are not dealing, Mr. Chairman, in an area wherein any deliberate deception is concerned. We are dealing entirely in an area pertaining to estimates of what the Navy must do with ships that have not been damaged or do not need repair yet, and then later there are instances that occur and have to be taken care of. And then if the Navy has to change its mind and make a different allocation of money on that basis, it has nothing to do with the honor or the integrity or the honesty of the organization, and, therefore, the organization should not be punished for those estimates, as distinguished from preascertainable facts, that are not correct, as the committee would do, as the chairman of the committee just asked us to do, and, as I submit, we are being unfairly asked to do.

Therefore, Mr. Chairman, the Wyman amendment should be agreed to.

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

Mr. HOSMER. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, in the discussion we have heard here, it has been intimated that somehow the Navy does one thing one day and another thing another day.

I asked the Navy about the percentage, and I have a letter here from the Acting Secretary of the Navy, Mr. Middendorf, indicating the occurrence of changes between the time of the Navy's appearance before our committee and the present month of November, 4 months later and almost two quarters into the current fiscal year. Secretary Middendorf wrote me on November 12, 1973, as follows:

NOVEMBER 12, 1973.

The discussion paper indicates that approximately $44 million of additional scheduled repair and alteration work above that currently assigned would have to be allocated to the private sector in FY 1974 to insure compliance with a mandatory 30 percent requirement. This would result in a decrease of approximately 3,450 in planned naval shipyard employment for the end of FY 1974. . . . Information submitted for the record of the Congressional hearings on the Department of Defense Appropriations for FY 1974 indicated that 29.7 percent was allocated for private yards. As a result of that information in the record, it is understandable that the 30 percent requirement may have appeared to have little impact on the Navy. . . . (but) there already has been some shrinkage . . . and there would be changes required in our planning. . . . the Navy position is that it must have flexibility if it is to manage efficiently the uneven flow of different types of Navy ship repair and alteration work. At the same time the importance to the Navy of private ship repair capability has been demonstrated by the substantial amounts of repair and alteration work that have been assigned to the private shipyards. Enactment of the 30 percent requirement will destroy this flexibility, thereby disrupting Fleet operational schedules and lowering naval shipyard efficiency. Additionally, an administrative burden of considerable magnitude would be created and would further deplete already insufficient funds.

J. WILLIAM MIDDENDORF II,
Acting Secretary of the Navy.

Information earlier presented to the defense appropriation bill indicated that 29.4 percent was allocated for private yards. But in the light of the above information and recent developments, and with the required pay increase coming next month the situation has changed, and the imposition of a fixed dollar amount upon the Navy would be an unwise administrative requirement if we want efficiency and cost effectiveness, which we do.

This is all that is being proposed by this amendment today.

Mr. HOSMER. Mr. Chairman, I agree with the gentleman that it is unwise to attempt to have the Navy be punished by the chairman of this committee for doing what it has to do. That is entirely irrational, and the reason that I suggest that the Members support this amendment.

The last time this happened was about 10 years ago, when Adm. R. K. James was head of the Bureau of Ships. Such a straitjacket provision as the one before us was put in the appropriations bill at the behest of a bunch of private shipyard lobbyists. Because of it we had the situation then where the Navy had to take a lot of ships from one coast to the other and engage in a lot of other fiscal acrobatics and inanities to cope with the senseless situation when the Congress imposed this limitation. Now you are just asking for this dumb-dumb situation to be repeated all over again.

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

Mr. HOSMER. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS. Mr. Chairman, I would like to say this: No one can predict what kind of breakdowns or repairs the Navy is going to have to cope with during the next year. They may have

breakdowns that cannot be handled by private yards and they will have to put ships into Navy yards.

This is merely to give them some flexibility.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to belabor this point. I am sure the Navy Department is extremely reluctant to get into a battle with the chairman of the full committee, and if we have been led into that situation, why, certainly we are prepared to apologize on behalf of the Navy Department.

I am sure they are reluctant in every possible way, and I would say this: that the representation that this amendment passed the committee unanimously is in error: As I recall, from what I hear, there was a fight in the full committee. There was not a record vote taken, but I know there were a lot of silent voices on the full committee and some who spoke up, some who were quite concerned about this amendment and this apportionment.

As far as the Navy being frank with the committee, they made a frank analysis as to the effects of the 70–30 or 50–50 apportionment in the formal analysis that they presented, and that was presented to both the Senate committee and to this committee by a statement which I delivered to the committee last October with my own remarks.

As I recall it, the only admonition your committee has made to the Navy Department is that you want the 35 to 65 percent limitation respected on repairs, alterations, and conversions. The private shipyards got 32 percent in 1970, 38 percent in 1971, 31 percent in 1972, and 37 percent last year or an average of about 36 percent on repairs, alterations, and conversions over the past 5, 6, or 7 years. So I think that the Navy Department has been very fair with the committee.

Mr. MINSHALL of Ohio. Will the gentleman yield?

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

Mr. MINSHALL of Ohio. I appreciate the gentleman yielding.

I greatly respect the Member from California, but I would like to emphasize what the chairman of the committee did. We have been around the barn on this private versus public shipyards deal for 12 years that I have been on the subcommittee. It is a subject that is not new and one with which we are very familiar. In our hearings and in the markup of this bill nothing was discussed as outlined in the gentleman's amendment. Our subcommittee agreed unanimously on the matter of public versus private yards. We have been led down the primrose path by the Department of the Navy as far as I am concerned for the last time. They have given us more snow jobs on different projects than any other service. Now they are trying—after the fact—after our committee markup, to attempt to distort the facts with erroneous information. I say we should stand up and vote down the amendment.

Mr. LEGGETT. The subcommittee did not ask the Navy Department for its views on the limitations, so how can you claim that the Navy has not been fully frank, honest, and credible with the Appropriations Committee?

Mr. MATSUNAGA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire (Mr. WYMAN) which would strike from the bill some unfortunate langauge restricting the funds the Navy may spend in its own shipyards on ship alterations and repair.

As the gentleman from New Hampshire has noted, the effect of the language contained in the committee bill would be to transfer more than $42 million of work from Navy shipyards to private yards. It would mean the loss of 3,450 jobs in the affected navy yards in the current fiscal year alone.

In my State of Hawaii, the Pearl Harbor Naval Shipyard is the single largest industrial employer, with about 5,200 workers. It would be adversely affected, not in fiscal 1974, but in 1975, when the diversion to private yards would result in the loss of about 100 jobs.

But it is not on the basis of job preservation alone that I support the pending amendment. Fleet operation schedules for the rest of the year would be drastically affected, as the Navy shifted vessels to make them available for repair and alteration when private shipyards could accommodate them. In several of the shipyards, the committee's action would produce a 2-year cycle of hirings, layoffs, and rehires—which cannot but hurt the efficiency of the yards and their readiness to function as an integral part of our defense capability.

Mr. Chairman, private shipyards already receive a substantial part of the alteration and repair work on Navy ships, and much of the remainder is too complex for most of the private yards to handle. Moreover, private yards do all of the conversion work on Navy ships.

In summary, navy yards are a vital link in our defense chain, and the limitation provided in the bill as reported, unless removed by the pending amendment, might substantially weaken the link. I therefore urge the adoption of the amendment.

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

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEGGETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 203, not voting 60, as follows:

[Roll No. 607]

AYES—170

Alexander	Blackburn	Byron
Anderson, Ill.	Bray	Carter
Armstrong	Brotzman	Chappell
Aspin	Brown, Mich.	Clausen,
Barrett	Burgener	Don H.
Beard	Burke, Fla.	Clay
Bennett	Burton	Cleveland
Biester	Butler	Cohen
Conable	Hogan	Roberts
Conlan	Holifield	Robinson, Va.
Conyers	Horton	Rogers
Corman	Hosmer	Roncalio, Wyo.
Coughlin	Huber	Rousselot
Culver	Hudnut	Roy
Daniel, Dan	Hunt	Roybal
Daniel, Robert W., Jr.	Ichord	Runnels
	Johnson, Calif.	Ruppe
Davis, Ga.	Johnson, Pa.	Ryan
Davis, S.C.	Jones, Tenn.	Sandman
Dellums	Jordan	Satterfield
Dent	Kazen	Schneebeli
Derwinski	Ketchum	Seiberling
Dingell	Kyros	Shipley
Dorn	Landgrebe	Shoup
Dulski	Leggett	Sikes
Edwards, Calif.	Lehman	Sisk
Eilberg	Long, La.	Skubitz
Erlenborn	McCollister	Smith, N.Y.
Fascell	McCormack	Spence
Fish	McDade	Stanton,
Flood	McFall	James V.
Foley	Mallary	Stark
Ford,	Mann	Stephens
William D.	Maraziti	Symington
Forsythe	Mathias, Calif.	Teague, Calif.
Fraser	Matsunaga	Teague, Tex.
Frey	Meeds	Thompson, N.J.
Fulton	Melcher	Thornton
Gaydos	Mink	Towell, Nev.
Gettys	Mitchell, Md.	Treen
Gibbons	Mitchell, N.Y.	Vanik
Gilman	Mizell	Veysey
Goldwater	Mollohan	Vigorito
Gonzalez	Moorhead, Pa.	Waldie
Goodling	Morgan	Walsh
Green, Pa.	Mosher	Wampler
Hamilton	Moss	Ware
Hammer-schmidt	Nedzi	Whalen
	Nichols	Whitehurst
Hanna	Nix	Widnall
Hansen, Idaho	O'Brien	Williams
Hansen, Wash.	Owens	Wilson,
Harrington	Parris	Charles, Tex.
Hawkins	Patman	Wyman
Hays	Price, Ill.	Yatron
Heinz	Rees	Young, Fla.
Hicks	Regula	Young, Ga.
Hillis	Reuss	Young, Ill.
Hinshaw	Riegle	

NOES—203

Abdnor	Dellenback	Jones, Okla.
Abzug	Denholm	Kastenmeier
Adams	Dennis	Kemp
Addabbo	Devine	Kluczynski
Andrews, N.C.	Donohue	Koch
Andrews, N. Dak.	Drinan	Kuykendall
	Duncan	Latta
Annunzio	du Pont	Lent
Archer	Eckhardt	Litton
Ashbrook	Edwards, Ala.	Long, Md.
Ashley	Esch	McClory
Badillo	Evans, Colo.	McCloskey
Bafalis	Evins, Tenn.	McEwen
Bauman	Findley	McKinney
Bergland	Fisher	Madigan
Bevill	Flowers	Mahon
Biaggi	Flynt	Mailliard
Bingham	Ford, Gerald R.	Martin, Nebr.
Blatnik	Fountain	Martin, N.C.
Boggs	Frenzel	Mayne
Boland	Froehlich	Mazzoli
Bowen	Fuqua	Mezvinsky
Brademas	Giaimo	Milford
Brasco	Ginn	Miller
Breaux	Grasso	Minish
Breckinridge	Green, Oreg.	Minshall, Ohio
Brinkley	Gross	Moakley
Brooks	Grover	Montgomery
Broomfield	Gubser	Moorhead,
Brown, Calif.	Gude	Calif.
Brown, Ohio	Gunter	Murphy, N.Y.
Broyhill, N.C.	Guyer	Myers
Burke, Mass.	Haley	Natcher
Burleson, Tex.	Hanley	Obey
Burlison, Mo.	Hanrahan	O'Hara
Carey, N.Y.	Harsha	O'Neill
Casey, Tex.	Harvey	Passman
Cederberg	Hastings	Patten
Chamberlain	Hébert	Pepper
Clancy	Hechler, W. Va.	Perkins
Clark	Heckler, Mass.	Peyser
Collier	Henderson	Pickle
Collins, Tex.	Holtzman	Pike
Conte	Howard	Podell
Cotter	Hungate	Powell, Ohio
Cronin	Hutchinson	Preyer
Daniels, Dominick V.	Jarman	Price, Tex.
	Johnson, Colo.	Pritchard
Davis, Wis.	Jones, Ala.	Quie
Delaney	Jones, N.C.	Randall

Rarick	Slack	Ullman
Rhodes	Smith, Iowa	Vander Jagt
Rinaldo	Staggers	Waggonner
Robison, N.Y.	Stanton, J. William	White
Rodino	Steed	Whitten
Roe	Steele	Wilson, Charles H., Calif.
Roncallo, N.Y.	Steelman	
Rooney, Pa.	Steiger, Wis.	Winn
Rose	Stratton	Wolff
Rosenthal	Stubblefield	Wright
Rostenkowski	Stuckey	Wydler
Roush	Studds	Wylie
Ruth	Sullivan	Yates
St Germain	Symms	Young, S.C.
Sarasin	Taylor, N.C.	Young, Tex.
Sarbanes	Thomson, Wis.	Zablocki
Scherle	Thone	Zion
Schroeder	Tiernan	Zwach
Shriver	Udall	
Shuster		

NOT VOTING—60

Anderson, Calif.	Eshleman	Nelsen
Arends	Frelinghuysen	Pettis
Baker	Gray	Poage
Bell	Griffiths	Quillen
Bolling	Helstoski	Railsback
Broyhill, Va.	Holt	Rangel
Buchanan	Karth	Reid
Burke, Calif.	Keating	Rooney, N.Y.
Camp	King	Sebelius
Carney, Ohio	Landrum	Snyder
Chisholm	Lott	Steiger, Ariz.
Clawson, Del	Lujan	Stokes
Cochran	McKay	Talcott
Collins, Ill.	McSpadden	Taylor, Mo.
Crane	Macdonald	Van Deerlin
Danielson	Madden	Wiggins
de la Garza	Mathis, Ga.	Wilson, Bob
Dickinson	Metcalfe	Wyatt
Diggs	Michel	Young, Alaska
Downing	Mills, Ark.	
	Murphy, Ill.	

So the amendment was rejected.

The result of the vote was announced as above recorded.

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

Mr. Chairman, I would like to have the attention of the chairman of the full committee.

Mr. Chairman, I would like to ask, and it will take only a minute or so, the meaning of "Support for other nations." Under the heading of appropriations for the Army, there is "Support for other nations" of $414 million; Navy "Support for other nations" of $21 million, and on page 8 of the bill "Support for other nations" on the part of the Air Force of $256 million, a total of well beyond $500 million for "Support for other nations." What does this mean? What does "Support of other nations" mean?

Mr. MAHON. Support of other nations has to do primarily with South Vietnam. As you know an agreement was worked out whereby our forces were withdrawn, but our Government made a solid commitment that we would support the military forces of South Vietnam and keep them at a certain level. This is the money involved here. It is a very large sum of money. Also, our military missions around the world are supported through this fund.

Mr. GROSS. Are there other places in the world in addition to South Vietnam in which this money is spent?

Mr. MAHON. Our military personnel in various missions throughout the world are supported here. We have military assistance programs in a number of nations; Korea, South Vietnam, and large numbers of personnel are in many of these areas. We undertake to encourage nations to purchase their military equipment from the United States.

Mr. GROSS Are these funds authorized? Do they have to be authorized?

Mr. MAHON. There is basic statutory authority, it does not require annual authorization.

Mr. GROSS. The British entered into an agreement with the Government of Malta for a naval base. We were not content to let the British spend $36 million in payment to the Maltese Government. This government volunteered a contribution of $9½ million to the British deal out of thin air. Would "supporting assistance" be the source of that contribution?

Mr. MAHON. It would not come from this area.

Mr. GROSS. We could not stand to see the British enter into an agreement and spend their money for a navy base. We just had to help them out by volunteering a good many million dollars. That would not be the source of those funds?

Mr. MAHON. No. It would not.

Mr. GROSS. My final question is, why is the letter "S" in the word "Support" capitalized?

Mr. MAHON. Will the gentleman repeat that? I did not hear him.

Mr. GROSS. Why is the "S" in the word "Support" capitalized?

Mr. MAHON. All major activities in the bill are capitalized for purposes of emphasis, I assume.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; as follows: for Strategic forces, $1,124,154,000; for General purpose forces, $1,014,091,000; for Intelligence and communications, $532,343,000; for Airlift and sealift, $179,240,000; for Central supply and maintenance, $2,318,938,000; for Training operations and other general personnel activities, $517,736,000; for Medical activities, $377,398,000; for Administration and associated activities, $211,467,000; and for the Support of other nations, $256,733,000; in all: $6,532,100,000: *Provided*, That of the total amount of this appropriation, not to exceed $2,343,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payment may be made on his certificate of necessity for confidential military purposes: *Provided further*, That not less than $215,000,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

Mr. TREEN. Mr. Chairman, I would like to discuss with you for just a minute the effects of section 742 of the defense appropriations bill.

Section 742 establishes ceilings for each officer grade from major/lieutenant commander (O–4) through general/admiral (O–10) for the last quarter of fiscal year 1974 by denying funds for pay and allowances of personnel in excess of the ceilings.

A review of the history of the Officer Grade Limitation Act of 1954 makes it clear that the 1954 act was intended as a permanent answer to provisions in the fiscal year 1953 and 1954 DOD Appropriations Acts which were essentially the same as section 742. The House report on the 1954 act (Rept. No. 1218, Feb. 22, 1954, 83d Congress, 2d sess., to accompany H.R. 7103) states at pages 10 and 11:

It should be emphasized that the proposed legislation is the result of extensive hearings. It should be the permanent answer to the objections which have been raised in both Houses to the alleged promiscuous promotions of officers in our Armed Forces.

Promotion is one of the most complex and yet one of the most important aspects of military life. And limitations, hastily prepared, can so seriously affect career planning in the Armed Forces that their continuation over any period of time may bring about consequences not contemplated nor desired by those who propose such limitations.

Promotions must be geared to the needs of each service and at the same time fit personnel plans for years to come. It cannot be operated on a hit-and-miss basis subject to a different numerical limitation imposed each fiscal year. Promotion must be related to requirements, and it must also be flexible enough to permit consideration of eligible officers upon the completion of normal years of service in grade.

Provisions in appropriation acts which attempt to create a grade spread for each fiscal year based on total strength not only disrupt such career planning but so disturb the entire promotion system that it is impossible for any young man about to enter the armed services and make the service his career, either as a Regular or Reserve, to anticipate his opportunities for advancement.

And, since promotion is so entwined with career planning, it is impossible, using the so-called Davis amendment as the basis, to make adjustments upward or downward as the strength of the Armed Forces increases or decreases and have career planning without excessive attrition or other equally undesirable consequences.

There is no reason in 1974 to renew the effort which had been tried and rejected in 1954. While section 742 may be based on the best of intentions, it is first of all an inappropriate way to attempt to control grade escalation and second, it is a matter that is the responsibility of the Armed Services Committee.

The Armed Services Committee now has before it the Department of Defense proposed legislation which provides for the selective early retirement of officers in grades O–5 and O–6 (H.R. 11113).

On May 30 of this year the Department of Defense submitted to the Congress its report on the proposed new defense officer personnel management system, which contains new permanent statutory grade limitations. It is anticipated that the implementing legislation will be received in the near future for consideration by the Armed Services Committee.

Title VII of the fiscal year 1974 DOD Appropriation Authorization Act establishes a Defense Manpower Commission which will conduct a comprehensive study of overall DOD manpower requirements, including the matter of officer grade limitations.

I am not going to oppose this bill but I do think that this represents an attempt to indirectly legislate on a matter that is primarily within the jurisdiction of the Armed Services Committees, and I cer-

tainly am hopeful that it will be deleted in the Senate or in the conference.

PARLIAMENTARY INQUIRY

Mr. ECKHARDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ECKHARDT. I intend to reserve a point of order and make a point of order on the proviso on page 8, line 12. I wish to be protected on that and I wish to know whether it should be made at this time.

The CHAIRMAN. Yes, the gentleman should make his point of order now.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I make a point of order on the language commencing on page 8, line 15, "to be expended on the approval or authority of the Secretary of the Air Force, and payment may be made on his certificate of necessity for confidential military purposes:"

The point of order is based on rule XXI, clause 2, in that such language is a provision in an appropriation bill for an existing law and is not contained in the authorization legislation and for other reasons. It is in violation of rule XXI.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. MAHON. Mr. Chairman, does the gentleman make the point of order?

Mr. ECKHARDT. Mr. Chairman, I do make the point of order.

Mr. MAHON. Mr. Chairman, I would like to be heard on the point of order.

Mr. Chairman, the language in the bill beginning on line 12 says:

Provided, that of the total amount of this appropriation, not to exceed $2,343,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force.

Now, the language was challenged in the bill last year, but this is not the language that was challenged in the bill last year. The committee changed the language that was challenged in the bill last year and omitted the language as follows:

To be expended on the approval or authority of the Secretary, and his determination shall be final and conclusive upon the accounting offices of the Government.

That language was held, I believe, subject to a point of order, but that language is omitted in the proviso this year. It is important to have this flexibility, to have these funds available for these very extraordinary purposes if the Defense Department is to do its job adequately.

Mr. ECKHARDT. Mr. Chairman, may I be heard briefly further?

The provisions of existing law will, of course, give the controller a right to go into the question of what the specific items for expenditures were that fit these categories. My point of order does not reach the question that the Chairman has said is a necessary flexibility of expenditures. I do not raise the point of order that the extraordinary expenditures may not be made, but raise the point of order with respect to language which is at least subject to the interpretation that once the expenditure is categorized as in the confidential area, that there may not be further examination by the Comptroller General as to the expenditure.

If, arguably, the language changes existing law or if it calls for an interpretation that could have that effect, then the language is providing legislation on an appropriations bill. If it does not change existing law, it is not necessary to the proviso.

Mr. MINSHALL of Ohio. Mr. Chairman, I would like to be heard on the point of order.

Mr. Chairman, I would merely like to point out to my good friend from Texas that on page 108 of our report, near the bottom of the page, it says:

In including the language relating to emergency and extraordinary expenses the Committee has deleted language which had the effect of prohibiting by statute external audits of these expenses. However, the Committe does not intend any substantive change in the customary use of this authority as long as it is consistent with the justifications submitted to the Congress and prior practice.

I would also like to point out that in line 8 of the bill itself, this is a limitation on expenditures where it says, "Not to exceed $2,343,000."

Therefore, I submit to the Chairman that it is not subject to a point of order.

The CHAIRMAN. The Chair would like to ask the chairman of the committee, the gentleman from Texas (Mr. MAHON), can the gentleman from Texas cite authority for the language on line 16 beginning with: "And payment may be made on his certificate of necessity for confidential military purposes."

If there is no authority, the Chair would have to sustain the point of order against the language.

Mr. MAHON. Mr. Chairman, I am certain that there is no restriction on the fact that the Secretary of the Air Force has the authority under the existing law, which I cannot pull out of the air at this moment and cite, to make payments on his certificate of necessity for confidential military purposes. Certainly there is no restriction on the military to prevent this sort of operation.

The CHAIRMAN. Well, the Chair would like to assert that, if we have the language in the existing law, the language in the bill is unnecessary.

Mr. MINSHALL of Ohio. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Ohio may be heard on the point of order.

Mr. MINSHALL of Ohio. Mr. Chairman, I cannot cite the actual legislative authority, but we do have general legislative authority for just this provision in the bill. It has been in the bill for many, many previous years.

The CHAIRMAN. Did the gentleman from Ohio state that he cannot cite any authority for this language?

Mr. MINSHALL of Ohio. Mr. Chairman, I said I could not, right at this moment. It has been in the previous bill for many, many years.

The CHAIRMAN (Mr. ROSTENKOWSKI). The language to which the point of order is directed is the language the gentleman from Texas cited on line 15, as follows:

To be expended on the approval or authority of the Secretary of the Air Force, and payment may be made on his certificate of necessity for confidential military purposes.

If there is no authority in law for this language, the Chair holds that it must be construed as legislation in violation of clause 2, rule XXI.

The Chair sustains the point of order.

If there are no amendments to this paragraph, the Clerk will read.

The Clerk read as follows:

Page 8, line 21, Operation and Maintenance, Defense Agencies.

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Preparedness Agency), as authorized by law; as follows: for the Secretary of Defense activities, $243,885,000; for the organization of the Joint Chiefs of Staff, $8,305,000; for the Office of Information for the Armed Forces, $11,225,000; for the Armed Forces Institute, $5,757,000; for the Defense Contract Audit Agency, $57,250,000; for the Defense Investigative Service, $20,194,000; for the Defense Mapping Agency, $145,649,000; for the Defense Nuclear Agency, $9,940,000; for the Defense Supply Agency, $697,344,000; and for Intelligence and communications activities, $450,859,000; in all: $1,650,408,000: *Provided*, That of the total amount of this appropriation, not to exceed $5,448,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payment may be made on his certificate of necessity for confidential military purposes: *Provided further*, That not less than $17,100,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ECKHARDT. Mr. Chairman, as I understand it, we are now in Operation and Maintenance, Defense Agencies?

The CHAIRMAN. The gentleman is correct.

Mr. ECKHARDT. Mr. Chairman, my point of order is of the same nature as before, and it is directed to page 9, line 14, which reads:

To be expended on the approval or authority of the Secretary of Defense, and payment may be made on his certificate of necessity for confidential military purposes.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. MAHON. Mr. Chairman, in view of the prior decision by the Chair, I assume there is no need to be heard.

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair is prepared to rule.

The Chair will sustain the point of order on the basis previously stated by the Chair.

AMENDMENT OFFERED BY MR. KASTENMEIER

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

The Clerk read as follows:

Amendment offered by Mr. KASTENMEIER: On page 9, line 5, delete "$5,757,000" and insert in lieu thereof "$6,287,000", and on

line 11, delete "$1,650,408,000" and insert in lieu thereof "$1,650,938,000".

Mr. FLYNT. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. The gentleman from Georgia reserves a point of order.

The gentleman from Wisconsin is recognized for 5 minutes on his amendment.

Mr. KASTENMEIER. Mr. Chairman, I would not think that this amendment is particularly controversial, in light of some of the other amendments, and I might have hoped that the gentleman from Texas, the distinguished chairman of the Committee on Appropriations, might have accepted my amendment. But I appreciate his support of the integrity of the bill and the subcommittee report.

Tucked away in the committee report on this $74 billion bill is language which recommends the disestablishment of the U.S. Armed Forces Institute. The budget request for support of the Institute during this fiscal year was $6,287,000.

Because the item is small and because the Institute during its nearly 32 years of existence has maintained a low profile, I am well aware that, with the exception of those who serve on the Subcommittee for Defense Appropriations, few Members are aware of its mission or its function.

So we are asked to approve the recommended disestablishment of the U.S. Armed Forces Institute. I would like to explain what we are disestablishing.

Incidentally, this is an institute which over its nearly 32 years of existence has provided educational services in correspondence courses and otherwise to over 7 million Americans. Undoubtedly many in this Chamber are the beneficiaries of these services, and many, many thousands of your constituents are.

It develops and offers through independent study—correspondence courses—and class instruction courses ranging from literary level to prehigh school to high school and college levels. Training and advisory services are also offered in occupational and technical areas, and a testing program is also operated that includes course related standardized tests, and a series of general measurement and placement tests.

Although the education of this country has changed dramatically since the institute was first launched, it continues to provide valuable services and is making efforts to upgrade and modernize its offering and services.

During fiscal year 1973 more than 275,000 military personnel used one or more of the educational services offered by USAFI. Based on the 1973 force level, this means that more than one out of every nine military persons had occasion to seek educational assistance from the institute. Some 98,000 servicemen took one or more courses offered by USAFI in 1973 and about 204,000 military personnel took advantage of one or more of the testing services offered by USAFI, including some 80,000 persons who earned recognition for high school equivalency. It should be stressed here that the standardized testing instruments developed by USAFI personnel are among the strongest of the institute's programs. Countless numbers of professional manhours have gone into the development and standardization of these educational tests, and an equally great effort was required to gain their acceptance throughout the educational systems of this Nation.

In addition, USAFI lends important support to educational training programs leading to high school diplomas and also gives important guidance to Project Transition. Project Transition is operated by the various military services and prepares military personnel for jobs in the civilian economy. It is especially designed to help those persons who would otherwise enter civilian life without having necessary civilian job skills.

It must be conceded that enrollments in USAFI programs did and do fall off during this country's heaviest military engagements, particularly in the Southeast Asian war. But participation in 1973 was up and is expected to continue in that direction. Hundreds of thousands of young men and women in our military services who are seeking educational opportunities and self-improvement will be denied those opportunities at least in part if Congress follows the committee's recommendation to kill USAFI. This action would be unwise under normal military circumstances, but is particularly so at a time when we are attempting to attract young people, many of them with marginal educational skills, into a volunteer army, whether or not the volunteer army is succeeding.

At the same time that I make this defense of the institute I should not deny the many constructive criticisms by members of the subcommittee for its improvement are valid. However, to throw the baby out with the bath water is unconscionable.

Mr. Chairman, I recommend support of this amendment.

The CHAIRMAN. Does the gentleman from Georgia (Mr. FLYNT) insist upon his reservation of a point of order?

Mr. FLYNT. Mr. Chairman, no, I withdraw my reservation of a point of order.

The CHAIRMAN. The gentleman from Georgia (Mr. FLYNT) withdraws his reservation of objection.

Mr. FLYNT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. Chairman, as I said, I reluctantly oppose the amendment, because I fully recognize the interest which the gentleman from Wisconsin (Mr. KASTENMEIER) has in this program. I think the gentleman from Wisconsin is well aware that we have encouraged the Armed Forces Institute for the past 3 years to correct the deficiencies in this program, and they have completely ignored the admonitions of the Committee on Appropriations. The Congress as well as the committee, has tried to bring some semblance of effectiveness into this particular program, but we find that only 7 of the 50 States recognize the General Education Development certificates which are awarded by the Armed Forces Institute. We have done everything that we could to determine whether or not these programs conducted by the Armed Forces Institute formed any worthwhile and still needed purpose. In our judgment,, they are no longer worth the cost.

Mr. Chairman, let me read from page 302 of this year's hearings in which one member of the subcommittee, the gentleman from New York (Mr. ADDABBO) stated on page 302 of volume No. 9 of these hearings:

> I found this to be creating problems for men from New York, because New York does accept it. Men have taken the city civil service test, but when they present their GED certificate, after leaving their jobs expecting to be sworn in, they are suddenly told, "Sorry, we don't accept that certificate."

And in that same connection, in these hearings on this point, Mr. ADDABBO stated:

> I bring this question up, I think, for the third year running. It first came to my attention several years back. Every year we get the same answer. "We are going to take another look at it."
>
> You ask for hundreds of thousands of dollars to support a program which, as far as I am concerned, we might just as well do away with, because the men are not receiving any benefit. If anything, they are being given a false sense of security when they get out. I think we are doing the gravest disservice to them in this program.

In this connection let me say that I subscribe to the statement made by our colleague, the gentleman from New York (Mr. ADDABBO) in this regard, that instead of performing services for these young men in this GED program conducted by the Armed Forces Institute, we may be doing them a great disservice because they think that they are getting something when indeed they are not. The certificate of general educational development which the Armed Forces Institute provides under this program is almost worthless. It is recognized in 7 of the 50 States, but when it is not recognized in 43 States—when we have admonished the Armed Forces Institute to do something about it and they have ignored the admonishment—then we feel the time has come to eliminate this organization.

This is an example of a program which has totally outlived its usefulness. It has been superseded by dozens of other educational programs offered to personnel in the armed services. If this amendment is adopted it will perpetuate an agency which has outlived the usefulness which it at one time had.

We recognize that the Armed Forces Institute served a good purpose at one time, but that time has long since passed. So, Mr. Chairman, I ask the Committee to sustain the action of the Committee on Appropriations in eliminating the appropriation for the Armed Forces Institute and reject the amendment.

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

Mr. FLYNT. I yield to my friend the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Chairman, of course, as I indicated, 275,000 men

and women in the military during the last fiscal year used the services of this institute, which the gentleman says is outmoded. But, I would like to ask the gentleman from Georgia if the gentleman is aware that the American Council on Education recommended the level, I think it is 35, at which the GED is rated, and even if we eliminate this institute it would not change the testing; someone would have to conduct the equivalency testing. Some other agency of the military would. If we increase the grade so that it applied to all 50 States, it is fairly evident that very few men and women would qualify in the military. It does serve a purpose even to have it at the level it is, although, to a certain extent, I agree with Mr. ADDABBO'S criticism.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FLYNT was allowed to proceed for 3 additional minutes.)

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

Mr. FLYNT. I yield again to the gentleman from Wisconsin.

Mr. KASTENMEIER. I think that the Institute, indeed, the military, has failed to communicate to the men and women who take this test that it may not be satisfactory in terms of the equivalency of a high school diploma in their States. They should communicate that, but even if it is not, it is valid in the military service for promotions and for other purposes, and it is valuable for a man or woman to have at least some achievement in the field of education.

Mr. FLYNT. In response to the statement just made by the gentleman from Wisconsin, the Office of the Secretary of Defense itself has conducted an audit of this program, and it has come to the distinct conclusion that it has outlived its usefulness, and the function should be incorporated into other educational programs which the Department of Defense offers to servicemen, or that the function of the agency be changed. I might add that one reason that this program cannot be justified on its merits is that for the past 4 fiscal years there have ranged from 10 to 14 percent only of completions by those who started. When only 10 percent to 14 percent of the individuals who start a course under this program complete it, then we feel the time has come to terminate it, and it should be terminated by rejecting this amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. MINSHALL of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a high regard for my friend, the gentleman from Wisconsin, but the committee went into this matter very thoroughly, and the Department of Defense agrees that they are not obtaining very good results from many of their correspondence courses, and I think therefor that this $530,000 would be a needless expenditure at this time.

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

Mr. MINSHALL of Ohio. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

I just want to join in the remarks of the gentleman from Ohio and the gentleman from Georgia. Of course, the able Representative in the area needs to speak out in behalf of his own district, but when the Department of Defense states that the program is no longer useful in its present operation, and we have a large number of more effective educational programs. The committee believes that it would be unwise not to discontinue this program. About the hardest thing in the world is to cut off a useless expenditure. The taxpayers say: "Why are you having all of this duplication? Why don't you cut out some of these needless programs when they run out of their usefulness?"

It is hard to do, but certainly we can make this little saving and further improve the defense expenditures of the Government. What we need is a lean fighting service, and we have many, many programs of education and training for the enlisted man, and for the veteran who leave the services.

So, with all due regard and consideration for my friend, the gentleman from Wisconsin, I do hope that we may abolish this program and save the money that is assigned to it and get on with the business of a better defense program.

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

Mr. MINSHALL of Ohio. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I thank the gentleman for yielding. I merely want to say I hope there is not a mischaracterization of the Department of Defense dealing on it. The Department of Defense recommended full funding for it. The subcommittee recommended the change. Nor does the Department of Defense recommend the disestablishment of the Institute. It recommends that its aims be modified substantially as a result of this audit, but it is in the process of doing that, so I think it should be noted by the House that the subcommittee's action is not in accordance with what the Department of Defense recommends.

Mr. MINSHALL of Ohio. Mr. Chairman, I should like to point out that excerpts from the audit report are included at the top of page 56 of the committee report and says:

> The Office of the Assistant Secretary of Defense issued a report on an audit of the USAFI on August 21, 1973.

In that they summarize the reasons for modifying the operation of U.S. Armed Forces Institute.

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

Mr. MINSHALL of Ohio. I yield to the gentleman from Georgia.

Mr. FLYNT. I thank the gentleman for yielding. In that connection, after they completed their audit the Office of the Secretary of Defense asked the Air Force to take over the operation and change its function. One of the proposals was to have the agency become an adviser to educational counselors. In other words to become a counselor to counselors. The Air Force rejected this request. The committee questions this proposal on two counts. First, the committee questions if this role of counselor to the counselors is required and second, whether the personnel currently employed by the organization have the background and training to perform this function.

The committee came to the conclusion that the counselor to counselors role was not necessary and that the organization did not appear to have the qualified personnel to carry out this function. In the committee's opinion it was not feasible to rejuvenate this agency.

Mr. STEIGER of Wisconsin. Mr. Chairman, I hesitate to get involved in view of the fact the subcommittee this year did not give us much of a target to shoot at in that they decided to keep KP in. I am grateful to the ranking member of the subcommittee and the members of the committee for that wise decision, so that the gentleman from Florida did not have to have much of a fight.

Mr. MINSHALL of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Ohio.

Mr. MINSHALL of Ohio. We are also giving maid service this year.

Mr. STEIGER of Wisconsin. The gentleman has a point of view, of course, but there is a point to be made to the distinguished chairman of the subcommittee on this issue. I had a chance to go not long ago to Fort Lewis. The gentlemen of the subcommittee are familiar with what is going on in the 9th Division at Fort Lewis. One of the creations that comes from this incredibly successful program of the volunteer military is Old Reliable University and one of the important parts of Old Reliable is the Armed Forces Institute of Madison, Wis.

It strikes me that in reading the audit report that is printed in the record of the committee report and then translate that into a disestablishment of the institute is a grave mistake. The audit report, as the gentleman from Ohio has already pointed out, does not say that we ought to end it. It does say it ought to be substantially modified to reduce its educational program functions with courses and programs being provided through arrangements with accredited institutions and commercial sources. That is what the Armed Forces Institute is in the process of doing.

While I recognize that $530,000 does not seem like a lot of money, it does seem to me that the very point that the Air Force, the Army, the Marines, and the Navy are attempting to do is assure a tie between education and MOS requirements and non-MOS requirements. We are ending one of the ways in which we produce a better soldier.

The chairman of the subcommittee and the distinguished chairman of the full committee will remember well the Army regulation 621-5, if I may read it to the Members:

The basic philosophy underlying the Army's general educational development program is that an individual can improve himself through learning; that the process of learning does not stop with the completion of formal schooling at an early age, but on the contrary, education is a lifelong process. It is based on the belief that continuing education is essential if military personnel are to achieve maximum career potential and maintain the desired creative, intellectual, and leadership abilities.

That is what the Armed Forces Institute has been about since 1942, maintaining that kind of leadership.

I think the amendment should be supported. I think in this instance the subcommittee did not think fully through the disestablishment of a school that should be supported and still be modified to retain its purpose.

I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTINGENCIES, DEFENSE

For emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense and such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes; $5,000,000: *Provided*, That a report of disbursements under this item of appropriation shall be made quarterly to Congress.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I wish to reserve a point of order with respect to the whole section, and to make the point of order with respect to the provisions reading as follows:

And such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes.

The point of order which is stated and made is by the same proposition made with respect to the same language which occurs elsewhere in the bill. The point of order is reserved, which I do not wish to make at this time until I check whether or not the special contingencies defense is authorized by an authorization bill or by existing statutory law.

I point out to the chair that the operation and maintenance defense agencies provision had a section there of $5,448,000 in it that was, of course, not disturbed by my previous point of order, and this appears to be made up so that the Defense Department would have some $10,448,000 if this is included.

The CHAIRMAN. The chair would like to make the observation that the gentleman from Texas (Mr. ECKHARDT) should make his point of order while the paragraph is pending.

Mr. ECKHARDT. Mr. Chairman, in that event, I will make both points of order; one against the entire paragraph and the other against the phrase involved. However, I would not press the point of order—well, of course, if it is not justified, it can be shown it is not justified, so I do make the two points of order.

The CHAIRMAN. Does the gentleman from Texas (Mr. MAHON) wish to be heard on the point of order?

Mr. MAHON. I do, Mr. Chairman.

Mr. Chairman, 7 Cannon's precedents 1273, February 13, 1919, states:

The organic law creating a department authorizes necessary contingent expenses incident to its maintenance.

This provision has been in the appropriation bill for decades, and I am not able to cite anything more than I have cited in defense of the language. This language has been carried in the Defense Appropriations Act for as long as I can remember.

The CHAIRMAN. The Chair notes that the paragraph does have legislation, since it requires a report and imposes additional duties. Therefore, the Chair sustains the point of order.

Mr. ECKHARDT. Mr. Chairman, that would be both points of order?

The CHAIRMAN. The point of order is sustained against the paragraph.

The Clerk will read.

The Clerk read as follows:

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; and other expenses necessary for the foregoing purposes; $514,600,000, and in addition, $22,000,000, of which $5,000,000 shall be derived by transfer from "Missile Procurement, Army 1972/1974" and $17,000,000 shall be derived from "Missile Procurement, Army 1973/1975", to remain available for obligation until June 30, 1976.

Mr. DAVIS of South Carolina. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my colleagues, I take this time to ask a few questions in this area of the bill referring to Army procurement of aircraft. The conference report on the fiscal year 1974 procurement authorization bill stated that the bid proposal for the utility aircraft commonly referred to as the UX or CXX utility aircraft would be limited to turboprop aircraft only.

Yet, the Appropriations Committee report ignored that directive and the entire direction of the Congress when it approved the conference report as follows:

Directs that the fiscal year 1973 buy of utility aircraft proceed on the basis of the understanding had by this committee last year, and that the specifications be written and the request for proposals specify that the aircraft to be procured may be powered either by turboprop or turbofan engines, so that all qualified aircraft manufacturers may have an opportunity to bid on this procurement.

Mr. Chairman, we went into this in detail in our committee. I have done some other research.

I found out that these aircraft when used on a wide mission range, over a thousand-mile operation range, that the turbofan uses 455 gallons of gas at optimum operating cruising speed, whereas the turboprop would use 355 gallons.

I found out that if we go with the turboprop, it would use 355 gallons under the same conditions.

I found out that if we go with the turboprops, there would be no new training required for the pilots. I have also found that the cabin volume of the aircraft with the turboprops exceeds over 300 cubic feet—and this is a utility aircraft—whereas the turbofan's cabin volume was only about 150 cubic feet.

We also note that the turboprops are certified for single-pilot operation, as opposed to the need for two pilots with the turbofans.

We also noted that the average operating cost is 21-percent higher per nautical mile for the turbofan as opposed to that of the turboprop.

On the average mission of approximately 400 miles, the turbofan would use approximately 117 gallons of gas, whereas the turboprop would use about 83 gallons.

Mr. Chairman, no wonder we are here involved at this time with energy savings and money savings.

I would just like to ask the gentleman from Texas, the chairman of this great Committee on Appropriations, and the ranking minority Member this question:

Why did the Committee on Appropriations feel that it would be desirable to override the wishes of the entire House and the other body, as it so stated when it adopted the procurement conference report and authorized these turbofans?

Mr. MAHON. If the gentleman from South Carolina will yield, the gentleman from South Carolina and I have discussed the utility aircraft, and several members of the Committee on Appropriations have demonstrated an interest in this problem.

The attitude of most of us, on the Committee on Appropriations is that we should let all American companies under our free enterprise system who are qualified undertake to provide the necessary utility aircraft, whether they be jet or whether they be propeller. We did not feel we should try to make selections among contractors.

The committee thought that it should not undertake to cut out of the picture anybody who has an aircraft which the Defense Department thought was appropriate. We did not want to cut out all fan jets and say we should have only the turbo-propeller type, any more than we wanted to cut out all propellers and leave just the jet-type aircraft.

The committee wants the Department of Defense to have that flexibility and wants all contractors with a suitable product to bid.

Mr. Chairman, I think the gentleman from Ohio (Mr. MINSHALL) might wish to add something to that.

Mr. MINSHALL of Ohio. Mr. Chairman, if the gentleman from South Carolina will yield to me, I will say that I appreciate the chairman of the committee asking me to say something on this matter.

I also wish to pay my highest respects to my friend, the gentleman from South Carolina.

We are not trying to determine what type of an aircraft the military or the Defense Department should buy. All we want to do is, as the chairman of the committee has said, is to give every manufacturer a chance to bid on this particular aircraft, this utility aircraft, whether it be used for air attache work or whatever it might be used for.

I must point out, with all due respect to the Committee on Armed Services, their report limits the procurement to one manufacturer.

The Committee on Armed Services said that proposals be limited to turboprop aircraft only, which essentially eliminated all airframe companies except one.

All we want to do is allow manufacturers of the pure jets in this. That was the original request from the Defense Department. You are the ones who limited the competition to the turboprop. All we want to do is save the taxpayers some money and give all the manufacturers a chance to make a bid on this again, whether it be Piper, Cessna, Swearingen, or Beech, but we do not want it limited to one or at best two manufacturers. We want some of the other people to come in and bid and we also want to consider the American public, because it will save them tax dollars, because the pure jet is cheaper.

Mr. DAVIS of South Carolina. If we are trying to save money, why should we change the entire composition of this type of fleet and require the training of new pilots and still get a less efficient aircraft than we have? It would limit you to the same type of situation that we had last year. The Secretary of the Army came in and gave us certain specifications, and then later said they did not meet the requirements for jet aircraft.

Mr. MINSHALL of Ohio. I happen to be a pilot, but that certainly does not make me an expert on military aircraft. I know that the training of pilots to fly these aircraft is not going to be a major problem. All we want to do is give all manufacturers, regardless of their name, a chance to bid on this and not limit it to anyone.

Mr. SIKES. Will the gentleman yield?

Mr. DAVIS of South Carolina. I yield to the gentleman.

Mr. SIKES. I respect the gentleman for the argument he is making, but I am sure he realizes there are pilot training facilities and maintenance facilities for all types of aircraft in the services. It will not limit any service regardless of the type of airspeed selected.

There will still be a way to train pilots and to maintain aircraft. In fact, both the Army and Air Force intend to contract for maintenance services regardless of the aircraft purchased. The essential point has been made repeatedly that we are trying to open up competition for the best aircraft regardless of the manufacturer at the best price and so that we can consider all aspects of it. That is what I think would be accomplished under the language contained in our report.

Mr. DAVIS of South Carolina. I thank the gentleman and the others for the answers I have gotten.

As I said at the beginning, the entire Congress, the House and Senate, worked its will and accepted the language of the House Committee on Armed Services in the conference report. Now the Committee on Appropriations comes back and changes something we have done and looked into and especially when the procurement request said the U–21 type aircraft with the only major change being cabin pressurization, and when General Maddox himself of the Army Air Corps testified that jet engines would definitely be a major change and could not fall within the procurement request.

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

Mr. Chairman, while we should all try to reduce the fat from military expenditures, we must strive to avoid those cuts which damage the muscle. I am fearful that may have inadvertently happened in at least two or three instances, as applied to items in the pending bill.

First, the committee reduced the permanent change-of-station count rather severely. I am afraid this reduction would adversely affect the readiness of the Army. Under the no-draft environment, the Army has been forced to maintain long-tour overseas strength levels at the expense of a 27-month average enlisted tour. Denial of the PCS dollars will result in a significant shortfall in overseas areas, especially Europe, at a time when national strategy dictates maintaining prescribed manning levels overseas.

In addition, increases in rates such as ICC tariffs are beyond the control of the Army. The proposed reduction in PCS funding will require the Army to virtually cease rotational and operational moves for the remainder of fiscal year 1974, thus causing strengths in high priority overseas units to fall below levels required for combat readiness.

The Army tells me that they can accept the man-year and associated dollar reductions made by the committee. However, they request and I agree with their request that no end strength reductions should be imposed above that already mentioned in the authorization bill. The Army also needs the flexibility to achieve the reductions in programs other than those specified by the committee. It is not appropriate to reduce Army units by the number of people associated with specific programs, and flexibility to make reductions should be within the prerogative of the Army rather than through the appropriation process. These errors should be corrected.

Mr. Chairman, there are two other items in the bill which should be carefully reexamined. Both deal with unmanned remotely piloted vehicles—RPV's. These refer to modifications to the AQM–34 drone involving a deletion of $9.1 million, and identified on page 189, and the deletion of $3.4 million of the Air Force development drone funding, found on page 216. My point is that it hardly makes sense to reduce a portion of the defense budget which has the potential for significantly decreasing total future defense costs. And that is what is involved in these items. Unmanned vehicles fall into this category.

We are talking here about a relatively small expenditure, probably less than one-half of 1 percent of the dollars going into manned vehicles. It is my understanding the services are working closely together on their unmanned vehicle requirements. I am also of the opinion that we lack facts to support suggested past waste in this area. It needs more study before harmful cuts are made which can have serious effects on the program.

Experience in Southeast Asia has demonstrated the usefulness of unmanned vehicles. They undoubtedly reduced losses of manned aircraft and saved lives. I would hope that these relatively small, yet extremely important, cuts can be restored.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $2,616,065,000, to remain available for obligation until June 30, 1975.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to raise a question with the chairman of the committee with regard to the provisions included in the report for the Center of Naval Analyses. The Center of Naval Analyses, which is included in this paragraph, has been reduced by the Committee on Appropriations a total of 24 percent. That is a pretty big cut all by itself, and since the appropriation bill comes almost half way through the 1974 fiscal year, it means that this entire 24 percent annual cut is going to have to be taken within the remaining 6 months, or, in other words, it amounts to a 48 percent reduction in the operation of the Center of Naval Analyses between now and the first of July. This obviously is a devastating move to the Center of Naval Analyses, and one wonders just what the committee has against the Center? I note, for example, that another think tank, the Rand Corp., received double the money that they got before. Yet the CNA is regarded as the best of the think tanks. They did not have any Dr. Ellsberg like Rand, and yet they still get cut almost 50 percent, while Rand gets a 100 percent increase.

Mr. Chairman, my information has been that the Center of Naval Analyses has been worth much more to the taxpayers than its price. It has saved the taxpayers several times over the relatively small amount of money that we spend on it from year to year.

At the present time they are conducting a number of important studies that could not be conducted elsewhere. They are conducting a study, for example, into the lessons of the Middle East war, something which I think is of ex-

treme importance to the Defense Department, as my own subcommittee found in visiting the Middle East last week.

They are also working on a plan that would use existing merchant ships to replace the need for the Navy building fleet auxiliaries in time of emergency.

So I would like to ask the distinguished chairman of the committee why this heavy hand on the Center of Naval Analyses in comparison with some of the other think tanks which are getting more money rather than less money, especially in view of the distinguished record of the CNA?

Who has got it in for the Center of Naval Analyses, and who are we trying to get with this rather devastating reduction in a satisfactory and successful operation?

Mr. MAHON. Mr. Chairman, if the gentleman will yield, the gentleman asks a very pointed question. My feeling is that if the Center for Naval Analyses cannot do a reasonably adequate job for the taxpayers with $8.2 million, they should be put out of business.

I have been trying to think of a long series of outstanding contributions that the Center for Naval Analyses has made, but it does not come readily to mind. It is a sort of a pass-the-buck kind of a thing, because as soon as the Navy has a tough problem. what does it do? It sends it over to the Center for Naval Analyses, and what does the Center for Naval Analyses do? They recommend a new study.

I think we have been overdoing all of this business of think tanks.

Mr. STRATTON. Then why do we give money to the Air Force for Rand?

Mr. MAHON. If the gentleman from New York wishes to offer an amendment to cut out money for Rand, or any other think tanks, then I invite the gentleman to offer such amendments, and they will receive consideration.

The gentleman makes reference to Ellsberg and Rand. I was surprised the gentleman did not make reference to the Center for Naval Analyses where one of the employees led a demonstration against the Government here in Washington and urged the people not to pay their income taxes because some of these taxes were being used to finance the war in Vietnam. Maybe this reduction will be what the center needs to make it more productive.

Mr. STRATTON. Would not the gentleman also think that someone who takes top secret sensitive documents and gives them to the Soviet Union might also require some attention? Why has this point not been considered in connection with funds for the Rand Corp.?

Mr. MAHON. As I have stated, if the gentleman has an amendment to offer, it will be given consideration.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

SEC. 741. None of the funds herein appropriated may be obligated or expended after August 15, 1973, to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 48, line 24, after "North Vietnam, South Vietnam, Laos," strike out "or Cambodia", and insert "Cambodia, or any other sovereign state."

Mr. GROSS. Mr. Chairman, this is an amendment which I offered earlier this year as an amendment to an amendment which was offered to another bill by the gentleman from Florida (Mr. FLYNT).

I simply renew it here because it is the reasonable and decent thing to do, to apply it not only to North and South Vietnam, Laos, and Cambodia, but to any other sovereign state. If it is good for those countries, it should be applied worldwide. Let us spread the good tidings all around the world. This is the way the provision now in the bill would read:

SEC. 714. None of the funds herein appropriated may be obligated or expended after August 15, 1973, to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

Mr. GIAIMO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and six Members are present, a quorum.

Mr. GROSS. Mr. Chairman, let me read the amendment in connection with the language presently in the bill:

SEC. 741. None of the funds herein appropriated may be obligated or expended after August 15, 1973, to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

After Cambodia, I simply add "or any other sovereign state."

I want to impress upon Members that this has nothing to do with supplies. This has everything to do with combat activities of U.S. military forces.

I urge adoption of the amendment.

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

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. MARAZITI. I compliment the gentleman and I want to associate myself with his remarks.

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

Mr. Chairman, no Member on the floor or in the Congress wants to send combat forces or engage in combat in any area of the world, but to provide this restriction which goes far beyond the War Powers Act in this appropriation bill would seem to be most ill advised.

Let us hark back to the missile crisis created by the missiles which were placed by the Soviet Union in Cuba. Under this amendment the President, the Government, would be paralyzed insofar as taking any action except actions on our own soil. We could not cope with something like the Cuban missile crisis. We would present a position of weakness and we would appear to humble ourselves in the eyes of the world at a time when we are trying to stand tall and be strong in dealing with the Soviet Union, Red China, and all the rest.

It would seem very ill advised to enact this amendment. That is not to say that we want to send combat forces anywhere but we should not undertake to take this action which would tend to show weakness and indecisiveness and goes beyond the War Powers Act.

Mr. Chairman, I would hope the amendment would be defeated.

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

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

Mr. GROSS. Mr. Chairman, I submit to the gentleman from Texas, and the distinguished gentleman well knows, that everything he has said applies with equal force and effect to North Vietnam, South Vietnam, Laos, and Cambodia. Yet he approved the application to those four countries to the exclusion of any others. Now, if the restriction in the bill is not good for the rest of the world, why apply it to those four? He approved the language in the bill.

Mr. MAHON. Mr. Chairman, we were locked in war in Southeast Asia and Congress undertook to cooperate with the President and encouraged the President to take maximum steps to bring the war in Southeast Asia to some sort of acceptable ending. This was an outcome of that.

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

Mr. MAHON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I am sure the distinguished Chairman realizes and the House realizes that the language of this amendment would mean that our NATO involvement would be completely ineffective. Our forces in Europe could not be used regardless of what type of emergency might be thrust upon them without an act of Congress, and the Members can imagine how long it will take to get an act of Congress.

This would do a great deal to make us a mockery in the eyes of the world, and accomplish no useful purpose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GROSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 746. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for the reprograming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprograming is requested has been denied by the Congress.

AMENDMENT OFFERED BY MR. ADDABBO

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

The Clerk read as follows:

Amendment offered by Mr. ADDABBO: On page 50, after line 14, add the following provision:

SEC. 747. Of the total appropriations made available in this Act, $3,500,000,000 shall be available only from unobligated and unexpended balances available to the Department of Defense.

Mr. ADDABBO. Mr. Chairman, my amendment is designed as an economy move within the Defense Department without cutting back on any specific program for which the Congress has allocated funds. This amendment is primarily a budgetary improvement over the existing system and is designed to reduce new appropriations without reducing the capabilities of the Defense Department.

The amendment would reduce the new appropriations for the Defense Department by $3.5 billion. To compensate for this cut, the Department could obtain needed funds from its vast money storehouse which are termed unobligated and unexpended balances.

These balances have accrued to the Defense Department possibly because this budget was made up in January and included combat funds for Southeast Asia. The money has not been spent for the purpose appropriated, it has not been presently designated for specific programs and, in my view, should not be left lying around the Pentagon waiting for someone to dream up a way of spending it. In these days of tight budgets, there is no reason for the Pentagon to have a balance of well over $34 billion in unobligated and unexpended balances.

As of June 30, the Defense Department had more than $9 billion on hand in appropriations for which there was no obligation to spend. No people on the payroll had to be paid with those funds, no military programs were due to be paid for with those funds.

Those are basic unobligated funds. There is additionally more than $34 billion in unexpended funds. These are dollars which have been designated for specific programs but which have not yet been spent. Most of those dollars will be spent in time, but experience has demonstrated forcefully that not all of those dollars are always used. Programs often are cut back or simply dropped and part of this $34 billion fund becomes free money. The Pentagon always finds ways to eventually spend this money—my attitude is that Congress, not the military, should determine how these funds are spent.

We can never have true congressional control over military spending as long as we allow the Defense Department to maintain such huge sums of money which they can spend pretty much as they please. The power of the purse is the only real power Congress can exercise to control the military and I believe it is high time to reduce these funds to more equitable amounts.

When we permit the Defense Department to exercise, in effect, their own appropriations through the use of excess amounts provided them in previous years, we give away our constitutional responsibility. We need to tighten our control as recent events in Southeast Asia demonstrate so well.

The subcommittee made a small step in this direction by applying some $387 million in prior year funds to the fiscal year 1974 program. But the subcommittee did not go nearly far enough. My amendment would dry up these excessive balances by making the Department apply them to current programs. New budget authority will be reduced and congressional control will be increased.

Now, you will undoubtedly hear opponents to my amendment claim that to vote for it will be to diminish our Nation's support for Israel. The fact is that this defense appropriations bill is totally unrelated to military aid for Israel as clearly stated by the chairman of the committee, Mr. MAHON yesterday. In fact, what is really apparent here is that the deficiencies in our military posture which were revealed during the last round of Middle East fighting cannot be solved unless we begin now to eliminate the waste and redundancy in defense appropriations bills.

The President has sent a message to Congress requesting $2.2 billion for emergency security assistance for Israel. That measure is pending in the House Foreign Affairs Committee.

What this amendment will do is provide one small step toward clearing up the appropriations practices of years past and provide the Congress with a way to reestablish firm control over military spending. And we can do this by spending part of the vast amounts of money accumulated by the Pentagon over the years for which no one save the generals have any control. The Department of Defense has reprogramed $13.5 billion by its own direction.

I think my amendment will go a long way in reestablishing congressional authority over the military. I would urge your support for it.

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this, my colleagues, is a good-sounding amendment. Some of you may think it appeals to your sense of economy. Some of you may think it is a way by which we can bring military spending under control. But I suggest to you that these are only superficial impressions.

The facts are when we talk about unobligated balances we do not talk about uncommitted balances. Dating way back through all of my experience in this House the decision was made, even before then, in the days of Clarence Cannon and John Taber, that rather than to have piecemeal appropriations for the basic procurement and research and development, test and evaluation appropriation, that the Congress and particularly this committee would take a look at what it is we are buying and look at the whole program.

These projects which must be carried on over a period of years both in terms of testing and procurement should be appropriated for. Once that decision was made, unlike the executive-type budget which the British Government has, for example, it means that the appropriation for the package is to be made at that time.

So there is built in on that theory of letting Congress know it is not committing itself to a pig in a poke and it is looking at the entire program when we make the appropriations—that makes the unobligated balances necessary in the Department of Defense.

We are not talking about military personnel, for instance, in the earlier titles of the bill. Actually, on June 30 there was less than $1 million of unobligated money there. That went back into the Treasury under the law. That is an annual appropriation.

We are not talking about operation and maintenance where there was something over $100 million unobligated. That is an annual appropriation, and it went back into the Treasury.

What we are talking about is the guts of our defense. We are talking about research and development; we are talking about procurement. That is where all but a little over $100 million of this $9 billion that the gentleman from New York mentioned is to be accounted for. We have, for instance, in aircraft, for the F–111, the F–4E, the A–70, and the F–14A—that is where you can read down the list and find the bulk of all of these unobligated balances. We can look at the missile procurement program, for instance, such as the Phoenix and the Sparrow and the Standard Arm and modification and spares and the ballistic missile, and find another $1 billion almost. Shipbuilding is $2.5 billion. So you can go down the line there.

I do not think this Congress wants to hit at the heart of our defense, because this is where the unobligated balances are and that is where it is necessary that they be if the Congress is going to continue as it should, in my opinion, to take a look at the whole package in the development and procurement of a missile and aircraft program and shipbuilding program.

So when we talk about taking $3.5 billion out of unobligated balances, we are taking $3.5 billion out of necessary programed and committed expenditures for the hardware, the guts of the Defense Establishment in this country. We cannot take it out of personnel and we cannot take it out of cperations and maintenance. This is where the unobligated balances are, and this is where the money is going to come from. So I think this is a superficial amendment. And while it sounds good on paper, and it may appeal to some of those who want to clamp on the military, or who want to be in favor of economy, this is really hitting at the very heart of the defense establishment.

I think that the gentleman from New

York is striking a vote of no confidence toward the subcommittee on which the gentleman serves when he offers this kind of a broad amendment which could hit at the vitals of our ongoing research and procurement programs.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have great respect and admiration for my very good friend the distinguished gentleman from New York who offered the amendment. The gentleman is a hardworking member of the committee, and a very dedicated Member of the House. But I must oppose the gentleman's amendment.

I would like to call attention to the fact that this bill contains tighter safeguards on the way in which funds shall be spent by the Department of Defense than have ever before been imposed on a defense appropriation bill. It is carried in section 746 on page 50 of the bill. This language insures that the committees of the House, will have a voice in any proposed changes in the military program which are significant. So this bill protects the Congress and the public against unauthorized or unwise changes in the military programs and it insures additional safeguards against wasteful practices in management of funds.

Let me also call attention to the fact that this budget is an austere budget. The military program was cut deeply before it was submitted to Congress. It was cut by the Committees on Armed Services. It has been reduced further by the Committee on Appropriations. All of the available money that is carried in this bill is needed, and all available money from prior year funding that is unexpended is needed for essential military programs.

The war in the Middle East exposed some very serious weaknesses, and we must move now to cope with these weaknesses, and we will need all the funds that are available.

The distinguished gentleman from Wisconsin (Mr. DAVIS) showed clearly that when funds are not obligated, it does not mean they are not programed. Of course they are programed. All funds are appropriated for specific purposes. Some of it is not yet obligated, but it is programed. There are plans for its expenditure. There is no free money lying around to be reclaimed or cut at will by the House.

A great deal of mischief could be done with this amendment. Half the fiscal year is gone. Where are the cuts going to be inflicted? This amendment does not specify manpower cuts. Even if manpower cuts were inflicted by the Department of Defense there could be no significant savings during this fiscal year. Savings would be minimal. The Department of Defense would have to take the cut in weapons and equipment. That is where we have serious weaknesses. That is the great danger of this amendment. We cannot accept further cuts in weapons and equipment without danger to the security of the Nation. We have been told before that over 60 cents of every dollar in this bill goes for pay. Only about one-third goes to buy equipment. In the Russian forces it is the other way around. Nearly two-thirds goes to buy equipment. They get much more weapons and equipment for their defense dollars than we do. We need the equipment. We cannot provide an effective defense without it. There is need today for new equipment to replace that which was made available to Israel, and more significantly to provide the weapons for our own forces, for which the war in the Middle East showed new requirements. We require available funds for the weapons and equipment which already are on order or scheduled for purchase. For years we have, because of budget limitations, purchased minimal numbers of weapons.

This is significant because I reminded you all yesterday that in 1 day of fighting in the Middle East as many tanks were destroyed as we buy in a year, and as many planes were shot down as we buy in a year. That is the kind of warfare that our forces may be subjected to. Let us not take the risk of crippling American forces by denying them weapons which are essential for their survival and success. The amendment should be defeated.

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

Mr. Chairman, I should like to associate myself with the pervasive remarks of the gentleman from Wisconsin. It is a delusion to urge before this House that somehow the Department of Defense has a huge kitty numbering in the billions of dollars that is available for reprograming by this entire House acting as a Committee of the Whole.

One of the functions of the Defense Subcommittee is to participate in reprograming requests from the Department of Defense above a fixed minimum limitation. This reprograming occupies a great deal of the time of the Defense Subcommittee.

It is also true that our comparative disadvantage with the Soviet Union is augmented by the steadily lessening percentage of our defense dollars that are available to us for the nuts and bolts and the hardware of the military. The funds proposed to be taken from defense by the gentleman from New York by this amendment would all come out of procurement and research and development because it is only in these categories that yet unobligated balances can exist.

As has been demonstrated in the course of this debate funds for personnel, nearly 60 percent of each defense dollar, are annual appropriations and lapse if unexpended at the end of the fiscal year.

Mr. Chairman, I urge the defeat of the amendment which, in fact, is contrary to the national security.

Mr. GIAIMO. Mr. Chairman, I rise in support of this amendment, and I should like to stress the fact that we seem to be arguing as to whether or not there are funds available which could absorb this $3½ billion which the gentleman from New York proposes in his amendment. If we look on pages 23 and 24 of the report, we will see it says that there is an estimated total of $34 billion of unexpended balances of funds carried over into fiscal year 1974. Of that $34 billion, $25 billion represents unexpended obligations. That is going to be used for our ships and our aircraft and our missiles, and so forth. The difference, approximately $9 billion, represents funds which are not obligated, as we see from the top chart on page 23.

What happens? Over the years we have been very generous with the Department of Defense. They have come here and asked for hundreds of millions of dollars, and billions, for weapons systems, missiles, and all kinds of things which they have said they needed, and then for some reason, because they decided they did not want to go ahead with those programs, they did not obligate them. Instead, they would come up to Congress each year and say, "Now, you gave us x dollars for such-and-such a program. We do not think that has as high a priority as it did when we asked you for it, but we want to reprogram that money. We want to put it into something else."

So we let them do it to the tune of well over a hundred billions of dollars over the last 10 or 15 years. We have given them carte blanche, one might say. The committee knows this full well. The committee knows this very well, because it has begun to take steps to cut down this unobligated balance which used to run into the many billions of dollars and which is admittedly now coming down. I think it is in the general area, as the report shows, of about $9 billion. We have other language, as the distinguished gentleman from Florida pointed out, in the report which further limits their ability to reprogram funds. That is a recognition by the committee that these funds do exist, and I am saying that at this point, when we are correctly and properly on the road to regaining congressional control over the expenditures of these funds, this amendment will not harm the military in any way.

Where will we find the money available? Let me give you one example. In their recruitment program, the record shows that as of the end of October they are having a shortfall in their strength of 66,000. That means there is money in this budget, about a half-billion dollars worth to pay those 66,000 who are not on the records and are not in the services. There is half-billion dollars in funds which could be used. This is where we find this money. We can multiply this incident time after time again.

Now, some people on this side seem to take objection to the fact I call this a slush fund or a kitty. That is too small a word to use, because anything that is as large as $1 billion, to say nothing of three or four or nine, should not be called a slush fund or a kitty; but I am telling Members that is what it is. The fact is that they do come up each year and use these funds for through the reprograming device, so they can spend it for items

for which they did not seek congressional authority in the original instance or which had a lesser priority than first submitted.

I submit the Department of Defense will not be hurt by the approval of this amendment. What it will do is further draw down this unobligated balance and gain greater congressional control over these funds which over the years we have too freely and easily given to the Department of Defense.

I urge the adoption of the amendment.

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

Mr. Chairman, I am just about to begin to demolish the argument made in behalf of an additional $3.5 billion reduction in this appropriations bill. The committee cut $3.1 billion after long and painstaking consideration. Now the gentleman in his amendment wants to cut another $3.5 billion.

He wants Congress to gain control of the purse. If he wanted Congress to gain better control of the purse, he should have said where the $3.5 billion would be cut. So if Members want to cut the Defense budget by $6.6 billion, instead of $3.1 billion then, of course, they would vote for this amendment and know the consequences of their actions.

We have been providing over a series of years about $20 billion for the procurement of weapons. Those funds cannot be spent and are not spent necessarily in 1 year or 2 years. Sometimes it takes as many as 5 years for all of the funds for a ship to be spent; but those funds are provided when the procurement is initiated so we can know the enormity of the program when we start and everybody knows what the full funding requirement is.

So I would not be in favor of abdicating to the Executive the decision as to where to reduce the budget by an additional $3.5 billion.

If we are going to reduce Defense by $3.5 billion, I want to know where the reduction is going to be made. We have said where a $3.1 billion reduction will be made. My friend has not said where the additional cut would be made, except from unobligated balances.

If we delete these funds, we will be cutting funds which have been appropriated for specific purposes.

Let me tell Members where some of these unobligated funds are. In the aircraft procurement area, $303 million is unobligated but programed for the F–15 aircraft made by the McDonnell Co. in St. Louis. Does the gentleman want to take $300 million out of this program to procure a new first-line much-needed fighter aircraft for the Air Force?

Of the amount unobligated to which the gentleman has made reference, $118 million is programed for the F–14A fighter aircraft for the Navy. The F–14 is made by Grumman in Long Island, N. Y.

Is it the desire of the gentleman to reduce the F–14 program by $118 million?

A total of $160 million of the unobligated amount is programed for the S–3A antisubmarine warfare aircraft of the Navy. This is made by Lockheed in California and is urgently needed to upgrade the Navy's antisubmarine warfare capability, a place where we need more capability. We all know the growing menace of the Soviet submarines, and yet $160 million could be cut out of this program by the gentleman's amendment.

In the missile area, $37 million of the unobligated amount is programed for the Phoenix missile, which is the primary armament of the F–14 fighter aircraft of the Navy. Shall we cut that out?

In the ballistic missile area, a total of $256 million in unobigated funds is for the procurement of ballistic missiles—and we have fewer ICBM's than the Soviet Union—but the effect of this amendment could be to drastically cut back that important program. Surely, the gentleman has no intention of making a reduction of this kind in the strategic missile program.

In the Navy, the fleet ballistic missile appropriations for Polaris and Poseidon have funds which are not obligated in the total sum of $136 million.

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

(By unanimous consent, Mr. MAHON was allowed to proceed for an additional 3 minutes.)

Mr. MAHON. Mr. Chairman, I want to be sure that the Members of the committee are aware that these funds, though not legally obligated, are assigned to specific programs, and a reduction such as that proposed by the gentleman from New York would cut the specific hardware programs drastically.

I could talk about a lot of the other unobligated balances that are available for essential defense hardware, but I do not have time to read all of them.

Mr. Chairman, I was a little surprised at my friend from Connecticut, who spoke and said that we are not going to use all the money for Army personnel because they are not going to recruit all the people planned. The inference was that perhaps those funds could be included in this cutback. But, the unobligated funds are almost entirely in procurement and research and development accounts. The funds for personnel expire if they are not used at the end of the year.

Mr. Chairman, I am a little weary of all these loose statements about billions floating around nobody knows about.

We know what the money was provided for; we know what it is programed for. We know that sometimes the Department makes a misestimate or they make a change; they wish to change from one type of aircraft to another type of aircraft, but we sell ourselves short when we say we do not know what is going on, and that the military have untold billions over which we have no control.

Mr. Chairman, I do want to commend my friend, the gentleman from New York (Mr. ADDABBO) for his service to the Congress and to the committee and to the cause of defense. He is a very loyal member of the committee, a very able member of the committee; he presides over many of the sessions of the committee. I know that his intentions are good, and that we should make reductions wherever possible, but we should not devastate the Defense Department's program by this amendment. The amendment does not say where the cuts are to be made, but they would have to be made in procurement, the area wherein we are seeking to modernize the weaponry of the country.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MAHON) has expired.

(On request of Mr. ADDABBO and by unanimous consent, Mr. MAHON was allowed to proceed for 3 additional minutes.)

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

Mr. MAHON. I am glad to yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, will the gentleman agree that when this budget was made up in January of this year, that budget included close to $3 billion for U.S. combat activities in Southeast Asia? Will the gentleman agree to that fact?

Mr. MAHON. Well, certain funds were included in the original budget for use in Southeast Asia, and the gentleman knows that our committee reduced those funds or eliminated those funds that were not needed. Also the Department submitted an amended budget in September which deleted these funds or moved them to higher priority programs.

Mr. ADDABBO. Is it not a fact that when this bill was first presented to this committee, the estimated unobligated balances—so we do not confuse the House as between "unobligated balances" and "unexpended balances"—were substantial? These were not unexpended for contracts which the gentleman has spoken about. We are not talking about that; we are speaking about unobligated funds.

Mr. MAHON. All of the program funds I referred to are unobligated, but they are programed for certain purposes. Programs are going forward, and we do not want to throw a monkey wrench into the machinery, because we need the military hardware.

Mr. ADDABBO. Mr. Chairman, I think the gentleman in the well has pointed out that the Committee on Appropriations is not owned by the industrial complex, and that we are free thinkers.

However, when the bill was first presented to the committee, did not the Defense Department say that they had on hand approximately $6 billion of unobligated funds, and at this point they now admit to $9 billion in unobligated funds?

Mr. MAHON. Yes. The amount of unobligated funds has increased.

However, the programs for which the financing is sought have not been discontinued. They are urgently needed, but it takes time, and I commend the Defense Department for not obligating or spending the money until defense officials are able to get the hardware for which we appropriated the money.

Mr. ADDABBO. Mr. Chairman, may I ask this question:

Is it not also a fact that over the last several years, because of the rules of the committee on reprograming, the Defense Department, on its own without the approval of the Armed Services or Appropriations Committees, because there were items in amounts of less than $5 million, reprogramed close to $13.5 billion in various programs. They changed from one program to another without the consent of the committees and by their own direction?

Mr. MAHON. When the Navy, the Army, and the Air Force submit estimates for various items for purchase and for which contracts must be made, it very often develops that the contractors will need more or maybe less. If the contract is more, then they have got to find the funds within the procurement paragraph to meet the requirement.

Mr. ADDABBO. This is an unobligated slush fund where they find the money.

Mr. PODELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, while I have the deepest regard and affection for my colleague from New York, I am constrained to oppose his position on this amendment. My reasons are as follows:

While I agree that there is a good deal of fat in the military budget, it is unfortunate that when we cut a budget generally the fat is the last thing to go. First to go is the bone and then the marrow and then the fat. However, that is not the reason for my opposition.

I do agree that there is a problem of priorities in our Nation and perhaps we spend too much of our time, resources, and technology on the military and less on people and cities, education, health, and housing. However, during the last few months we witnessed a war in the Middle East. There were some enlightening revelations during that war. We found the people of Israel acting as a proving ground for American military hardware.

Hardware that was incapable of meeting advanced Soviet technology. I was disturbed that we did not have an answer to the SAM–6, and still have not even seen it. We have seen the SAM–7, and our Phantoms were being shot down by equipment we were not able to cope with.

I do not think this is the time to cut our military budget.

Additionally, there is no money in this appropriation bill to replenish that which was expended by the Pentagon during the Middle East war. I refer to the $1.5 billion taken out of existing stockpile of weaponry.

So you are not only cutting the budget by $3.5 billion now, but you are accepting the fact that they have cut themselves by $1.5 billion for equipment that was taken out of their existing stockpile and which is not being replenished by this bill. In other words, they are presently operating at a $1.5 billion deficit out of existing equipment, and now you seek to cut them by $3.5 billion additional.

In view of the possibility of an imminent flare-up in the Middle East and I suggest this is an inappropriate time to cut the military budget further.

As much as I have great regard and respect for my colleague and appreciation for what he is trying to do, I must disagree with his position.

Mr. ADDABBO. Will the gentleman yield?

Mr. PODELL. I yield to the gentleman.

Mr. ADDABBO. I fully agree with you that there should be a further look at our military equipment. That is what we wish to do. We want the committee and the Congress to say to the DOD "Let us see what you are doing with this money. You asked for certain programs. Use some of that money you have on hand for those programs in this bill."

My amendment does not cut the bill. It says to them that they should use the money they presently have unused for these programs and for the other research and development programs coming up before us and let us make sure that we direct them into the right program and not what they feel should be researched or what procurement should be provided.

Mr. PODELL. I say to my good friend that is what should have been done in the committee and that is what the committee should have done during the hearings. Let us not raise that question at this late date by way of amendment.

Mr. GIAIMO. Will the gentleman yield?

Mr. PODELL. I yield to the gentleman.

Mr. GIAIMO. If the gentleman understood how the committee process worked, he would know that you do try to do it in committee. Sometimes you fail on it and bring it out on the floor, and sometimes you fail on the floor, but sometimes you prevail on the floor. I submit to the gentleman that we did attempt to do these things in the committee.

Mr. EVINS of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. EVINS of Tennessee. Mr. Chairman, certainly I want to commend the distinguished chairman of the Subcommittee on Defense Appropriations, the gentleman from Texas (Mr. MAHON) and others for their great work in connection with this bill which we are considering here today.

I favor a strong national defense.

I have consistently supported strong budgets for the Department of Defense.

However, many Americans expected that our defense budget would be cut back and reduced with our participation in the war in Southeast Asia terminated by the Congress.

However, the budget reflects an increase—a substantial increase—over the budget for the last war year.

And this raises questions.

Why does it cost more to have peace than wage war?

The funds available for the Department of Defense in this budget total $74,493,609,000—with substantial carryover funds.

A breakdown on the important facets of this bill follows:

[In thousands of dollars]

Functional title	Committee bill	Changes from budget estimate
Title I—Military personnel	$22,432,641	−$273,859
Title II—Retired military personnel	4,681,900	−24,000
Title III—Operation and maintenance	22,509,223	−456,100
Title IV—Procurement	16,513,422	−1,856,678
Transfer from other accounts	(387,300)	(+387,300)
Title V—Research, development, test, and evaluation	7,966,523	−533,777
Title VI—Special foreign currency program	2,600	
Title VII—General provisions (additional transfer authority, sec. 735)	(500,000)	(−500,000)
Total, Department of Defense: New obligational authority	74,106,309	−3,144,414
Transfer from other accounts	(387,300)	(+387,300)
Total funding available	74,493,609	−2,757,114
Transfer authority	(500,000)	(−500,000)

The committee has made some significant cuts as reflected in the report on this bill.

I commend the committee for its careful study of the bill and for the cuts and reductions and other changes which it has made and which are as follows:

Selected major areas of committee action

1. Procurement funds failing authorization	−$319,800,000
2. R.D.T. & E. funds failing authorization	−308,000,000
3. Applications of excess prior year funds to fiscal year 1974 programs	−387,300,000
4. Termination of site defense prototype development	−110,000,000
5. Termination of airframe development of Air Force medium STOL transport aircraft	−65,200,000
6. Reduction in number of military personnel assigned to defense agencies	−12,842,000
7. Reduction in training and education	−78,201,000
8. Termination of Project Sanguine	−16,700,000
9. Application of available fiscal year 1974 free assets in procurement accounts	−86,000,000
10. Reduction in concurrency in Trident submarine program	−240,000,000
11. Reduction based on premature funding of fleet satellite communication System	−64,000,000
12. Munitions reductions	−250,000,000
13. Southeast Asia related reductions	−47,400,000
14. Long leadtime funds for 2 DLGN's	+79,000,000
15. Maintenance of F–111 production capability	+151,600,000
16. Reduction in civilian personnel strength	−52,000,000
17. Medical activities	−24,000,000
18. Aircraft and component reworks	−48,700,000
19. Overprice of fuel cost	−54,000,000
20. Military assistance service funded projects	−55,000,000
21. Space-available transportation cost	−25,500,000

I feel that other and further cuts and reductions can and should be made, particularly in view of the fact that the Department has an unobligated carryover balance in excess of $10,000,000,000.

Certainly, the committee and the distinguished chairman are to be commended.

However, I favor additional cuts and reductions where they can be made without endangering national security.

We know of the long history of cost overruns on weapons projects by the Department of Defense—these overruns have been carefully and consistently documented by the General Accounting Office in its many official reports.

I shall oppose the amendment to reduce the troop level by 22,000 for our country as troop reductions have greatly been made and recruitment efforts are not coming up to expectations. I shall vote for the Whitten-Addabbo amendment which will cut $3.5 billion from carryover funds—leaving a balance of $6.5 billion in carryover funds available to the Department of Defense from prior year appropriations.

This certainly should be a sufficient amount in carryover funding—with $6.5 billion to use as it desires from former year funding.

I repeat: I favor a strong national defense—but it is also my feeling that further cuts and reductions can and should be made—and without endangering our national security.

Mr. McEWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to commend my colleague, the gentleman from New York (Mr. PODELL), on what I think was a fine statement. I would like to associate myself with his remarks.

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

Mr. Chairman, what I have to say probably will not influence anybody one way or another. I have been here a few years and I have voted, I believe, for every defense appropriation bill, although somewhere along the line I may have voted for selective cuts.

I think in the years I have been here that I have voted for every defense appropriation billl. I have come today to the parting of the ways with that voting record.

We had a hearing in the Committee on Foreign Affairs this morning, the first hearing on the bill the administration has submitted as a result of President Nixon's unilateral intervention in the war in the Middle East. It is to pay for $2.2 billion in substance and resources of this country that went into the Middle East war as the result of the President's singlehanded intervention for which there was no approval by Congress, either before or after the fact. And Mr. Clements, the Deputy Secretary of Defense, said we may be confronted with another bill for $3 billion as a result of that adventure which, incidentally, alienated friendly Arab countries and ended 20 percent of our oil supplies.

There has to be somewhere along the line a limit to spending for so-called defense, either that or we must stop sticking our great, big, long noses into the affairs of countries around the world—trying to be the world's policeman and the world's banker. This country will go broke trying to do it, and you had better believe it.

There will come a day, just as surely as I am standing here, when this country will be put through the wringer one way or the other.

I went through the so-called great depression. There are many Members in this House who did not have that experience of the early 1930's, and I do not want to go through another.

I predict that what happened then will be child's play compared to what is to come. We came tragically close in the early 1930s to fighting in the streets. But there was a different mortality and stability in the country in those days than there is today.

I believe in the defense of this country. This is the only country I have, and I believe in the defense of it. That is why I do not want to see it crumble from within.

The chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON) stated yesterday that this bill calls for something like $77 billion, and he told us that spending for defense this year might go as high as $90 billion with the supplementals to come before the fiscal year is ended.

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

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

Mr. MAHON. Mr. Chairman, I believe I said that we might be asked to provide in total as much as $90 billion. I do not mean that it would all actually be spent this fiscal year. But with the defense budget being $77 billion, and adding to that the supplementals, and the Israeli aid request and other defense-related programs such as in Vietnam, it adds up to some $90 billion.

Mr. GROSS. I am glad to have that confirmation of what I said. And we are not in a shooting war today, yet at a figure of nearly $90 billion it will probably be the highest defense spending outside of World War II.

I cannot go along with that. I support the $3.5 billion cut. I cannot go on indefinitely voting for huge defense bills and watching our country being led into one foreign adventure after another while inflation, spawned by deficit spending, eats at the very vitals of our free government.

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

Mr. GROSS. I yield to the gentleman from New Hampshire.

Mr. WYMAN. What does the resupply, the cost of resupply of Israel have to do with the pending amendment?

Mr. GROSS. What does it have to do with the pending amendment?

Mr. WYMAN. Precisely.

Mr. GROSS. We are confronted with a bill in the Committee on Appropriations for nearly $2.5 billion as a result of the latest military adventure, and then perhaps another bill, according to Mr. Clements, for $3 billion. These huge expenditures are directly related to so-called defense measures of the past and present. It is all military spending. It is all defense procurement of one kind or another.

Mr. WYMAN. If the gentleman will yield further, the pending amendment would destroy the very sources of supply to which we have to turn in order to be able to help Israel so we do not lose the whole Middle East.

Mr. GROSS. I just happen to think that this Government went overboard when it singlehandedly and unilaterally intervened in behalf of one country in that situation. The gentleman may not agree with me, but that is the way I feel about that.

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

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MAHON, and by unanimous consent, Mr. GROSS was allowed to proceed for 2 additional minutes.)

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

Mr. MAHON. I thank the gentleman for yielding.

The gentleman made reference to the Middle East. As the gentleman knows, there are no funds in this bill for the Middle East, so this bill is not subject to question because of the Middle East.

Mr. GROSS. What I am trying to say is that all of proposed military spending that is before the Foreign Affairs Committee is over and beyond what we have here today, which, God knows, is more than enough. How in the world are the people of this country going to pay these bills? Will the gentleman tell me?

The chairman, the gentleman from Texas, has made many speeches on the House floor pointing out the dangers of profligate spending, and I have applauded him for so doing. But when are we going to come to our senses and restore some kind of fiscal sanity to our affairs, be they defense, health, education, and welfare, or anything else—some semblance of sanity to what we are doing?

Mr. Chairman, I yield back the balance of my time.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to take the well to speak on this bill or on this amendment, but I have been greatly torn and my conscience has been twinged a little bit as I have listened to some of the speakers.

I want to say to the distinguished chairman of the Committee on Appropriations that I pay him tribute for having made one of the most impressive and effective speeches which I have ever heard on the subject of why we have to vote for the jobs back home. I want the gentleman to know that it was effective, and it was effective to me. When

the gentleman got to this list of companies which are involved, and corporations which are involved, and programs which are involved, this cannot fail to be effective with every person in this room, because the gentleman is talking about the jobs back home.

I happen to come from Long Island. I do not happen to have the home office of Grumman in my district, but I do have some of their employees in my district, so obviously I am impressed. But I am not so wholly impressed that I would not like to ask a couple of questions.

I got the impression as the gentleman went through this litany that all of these planes were made up on Long Island. Is it conceivable that any of these aircraft are made in Texas? That is question No. 1.

Mr. MAHON. Will the gentleman yield?

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

Mr. MAHON. Reference was made to the F–15. As the gentleman knows that is made in St. Louis.

Mr. PIKE. Yes. That is the one whose engine keeps blowing up, as I recall.

Mr. MAHON. That is right, and that is one of the reasons why we made a reduction in the budget request for the F–15. There is money in this bill for continuation of the F–111, which is made in Fort Worth, Tex.

Mr. PIKE. That is made in Fort Worth, Tex.?

Mr. MAHON. That is more than 200 miles from my district.

Mr. PIKE. How about the A–7? Where is that made?

Mr. MAHON. The A–7 is made in the same area. There is no money in this bill for the Air Force version of this plane.

Mr. PIKE. Is there money in this bill for any version?

Mr. MAHON. There is money as requested in the budget for the Navy version of the A–7.

Mr. PIKE. And that is made in Texas.

Mr. Chairman, I do not want to prolong this, but I want to ask the gentleman now a serious question. There is on page 23 of this report a list of unexpended funds and a list of unobligated funds, but what the gentleman has been talking about is program funds. Would the gentleman define programed funds for me? What is a programed fund? Does he mean all the money we are going to spend until the end of the line in any given aircraft program? If he means that, there could be a hundred billion dollars for the B–1 alone. What is a programed sum of money?

Mr. MAHON. As the gentleman knows, we ought to pass the Defense appropriation authorization bill earlier in the year, by the beginning of the fiscal year. The fiscal year is about half over, so when the $74 billion in this bill goes to the Pentagon, officials cannot expect to wisely obligate these funds in the brief period of time remaining in the fiscal year. We are providing full funding for many things.

Mr. PIKE. I hear what the gentleman is saying, but I do not hear the answer to my question. What good is a program——

Mr. MAHON. If the gentleman will permit, he will hear it. We provide funds for certain numbers of airplanes in the bill, so many F–14's, so many F–15 aircraft, so many of other types of things. That is the purpose of the appropriation of the money. That is where a lot of the unobligated money is. It is appropriated for a specific purpose, but it has not been spent and not even legally obligated, because the services were not required yet to place the money on contract.

Mr. PIKE. Is the gentleman saying to me that all of the specific weapons systems which are in this bill can be paid for with the money which is programed?

Mr. MAHON. We hope that all of these aircraft and military weapons which we have provided funds for, including ships and so forth, can be paid for from the funds appropriated. Some will require more money. Some will require less, but these are all programs which Congress endorses.

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

RECORDED VOTE

Mr. ADDABBO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 118, noes 250, not voting 65, as follows:

[Roll No. 608]

AYES—118

Abzug	Fulton	Owens
Adams	Gaydos	Parris
Addabbo	Giaimo	Pritchard
Andrews, N.C.	Gibbons	Rarick
Ashley	Grasso	Rees
Aspin	Gross	Reuss
Badillo	Gunter	Riegle
Barrett	Hamilton	Rodino
Bergland	Harrington	Roe
Bingham	Hawkins	Roncalio, Wyo.
Blatnik	Hechler, W. Va.	Rosenthal
Bowen	Heinz	Roush
Brademas	Holtzman	Roy
Broomfield	Howard	Roybal
Burton	Hungate	Ryan
Clay	Johnson, Colo.	St Germain
Conyers	Jordan	Sarbanes
Corman	Kastenmeier	Scherle
Cotter	Koch	Schneebeli
Culver	Leggett	Schroeder
Daniels, Dominick V.	McClory	Seiberling
	McCloskey	Skubitz
Delaney	McCormack	Smith, Iowa
Dellenback	McKinney	Staggers
Dellums	Madden	Steelman
Denholm	Mazzoli	Studds
Donohue	Meeds	Sullivan
Drinan	Melcher	Thompson, N.J.
Eckhardt	Mezvinsky	Thone
Edwards, Calif.	Miller	Tiernan
Eilberg	Mink	Udall
Esch	Mitchell, Md.	Ullman
Evans, Colo.	Moakley	Vanik
Evins, Tenn.	Moorhead, Pa.	Vigorito
Findley	Mosher	Waldie
Ford, William D.	Moss	Whalen
	Nedzi	Whitten
Forsythe	Nix	Yates
Fraser	Obey	Young, Ga.
Frenzel	O'Hara	Zwach

NOES—250

Abdnor	Biaggi	Broyhill, N.C.
Alexander	Biester	Buchanan
Anderson, Ill.	Blackburn	Burgener
Andrews, N. Dak.	Boggs	Burke, Fla.
	Boland	Burke, Mass.
Annunzio	Brasco	Burleson, Tex.
Archer	Bray	Burlison, Mo.
Armstrong	Breaux	Butler
Ashbrook	Breckinridge	Byron
Bafalis	Brinkley	Carey, N.Y.
Bauman	Brooks	Carter
Beard	Brotzman	Casey, Tex.
Bennett	Brown, Mich.	Cederberg
Bevill	Brown, Ohio	Chamberlain
Chappell	Hosmer	Reid
Clancy	Huber	Rhodes
Clark	Hudnut	Rinaldo
Clausen, Don H.	Hunt	Roberts
	Hutchinson	Robinson, Va.
Cleveland	Ichord	Robison, N.Y.
Cohen	Jarman	Rogers
Collier	Johnson, Calif.	Roncallo, N.Y.
Collins, Tex.	Jones, Ala.	Rooney, Pa.
Conable	Jones, N.C.	Rose
Conlan	Jones, Okla.	Rostenkowski
Conte	Jones, Tenn.	Rousselot
Coughlin	Kazen	Runnels
Cronin	Kemp	Ruppe
Daniel, Dan	Ketchum	Ruth
Daniel, Robert W., Jr.	King	Sandman
	Kluczynski	Sarasin
Davis, S.C.	Kuykendall	Satterfield
Davis, Wis.	Kyros	Shipley
Dennis	Landgrebe	Shoup
Dent	Latta	Shriver
Derwinski	Lehman	Shuster
Dingell	Lent	Sikes
Dorn	Long, La.	Sisk
Dulski	Long, Md.	Slack
Duncan	McCollister	Smith, N.Y.
du Pont	McDade	Spence
Edwards, Ala.	McEwen	Stanton, J. William
Erlenborn	McFall	
Fascell	Madigan	Stanton, James V.
Fish	Mahon	
Fisher	Mailliard	Steed
Flood	Mallary	Steele
Flowers	Mann	Steiger, Wis.
Flynt	Maraziti	Stephens
Foley	Martin, Nebr.	Stratton
Ford, Gerald R.	Martin, N.C.	Stubblefield
Fountain	Mathias, Calif.	Symms
Frelinghuysen	Matsunaga	Taylor, N.C.
Frey	Mayne	Teague, Calif.
Froehlich	Milford	Teague, Tex.
Fuqua	Minish	Thomson, Wis.
Gettys	Minshall, Ohio	Thornton
Gilman	Mitchell, N.Y.	Towell, Nev.
Ginn	Mollohan	Treen
Goldwater	Montgomery	Vander Jagt
Gonzalez	Moorhead, Calif.	Veysey
Goodling		Waggonner
Gray	Morgan	Walsh
Green, Oreg.	Murphy, N.Y.	Wampler
Grover	Myers	Ware
Gubser	Natcher	White
Gude	Nelsen	Whitehurst
Guyer	Nichols	Widnall
Haley	O'Brien	Williams
Hammer-schmidt	O'Neill	Wilson, Charles H., Calif.
	Passman	
Hanley	Patman	
Hanrahan	Patten	Wilson, Charles, Tex.
Hansen, Idaho	Pepper	
Hansen, Wash.	Perkins	Winn
Harsha	Peyser	Wolff
Harvey	Pickle	Wright
Hastings	Pike	Wydler
Hébert	Podell	Wyman
Heckler, Mass.	Powell, Ohio	Yatron
Henderson	Preyer	Young, Fla.
Hicks	Price, Ill.	Young, Ill.
Hinshaw	Price, Tex.	Young, S.C.
Hogan	Quie	Young, Tex.
Holifield	Railsback	Zablocki
Holt	Randall	Zion
Horton	Regula	

NOT VOTING—65

Anderson, Calif.	Downing	Mizell
	Eshleman	Murphy, Ill.
Arends	Green, Pa.	Pettis
Baker	Griffiths	Poage
Bell	Hanna	Quillen
Bolling	Hays	Rangel
Brown, Calif.	Helstoski	Rooney, N.Y.
Broyhill, Va.	Hillis	Sebelius
Burke, Calif.	Johnson, Pa.	Snyder
Camp	Karth	Stark
Carney, Ohio	Keating	Steiger, Ariz.
Chisholm	Landrum	Stokes
Clawson, Del	Litton	Stuckey
Cochran	Lott	Symington
Collins, Ill.	Lujan	Talcott
Crane	McKay	Taylor, Mo.
Danielson	McSpadden	Van Deerlin
Davis, Ga.	Macdonald	Wiggins
de la Garza	Mathis, Ga.	Wilson, Bob
Devine	Metcalfe	Wyatt
Dickinson	Michel	Wylie
Diggs	Mills, Ark.	Young, Alaska

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GIAIMO

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

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: On page 50, after line 14, add a new section as follows:

SEC. 747. None of the funds provided in this Act shall be available to support an end strength of more than 2,157,902 military personnel in fiscal year 1974.

Mr. GIAIMO. Mr. Chairman, the effect of this amendment would be to reduce by an additional 22,000 people the Armed Forces military personnel strength, as of the end of the fiscal year, next June 30, 1974. The end strength of the military personnel, would be 2,232,902 men and women without the amendment. The effect of this amendment together with the reductions in the bill would be to reduce that military personnel end strength by a total of 75,000.

Let me say that by actions in the authorization bill 43,000 of that 75,000 is reduced, and the appropriations committee reduced another 10,000, bringing it to 53,000 so that the effect of my amendment is to add a reduction of 22,000 more, bringing it up to 75,000 in all.

We are saying that the Armed Forces may decide where they want to reduce their forces by 75,000 by next June.

There has been a great belief here—and I agree—that there has been a need for a great troop cut in Europe. I still believe that there are valid military considerations for a troop cut or a substantial troop cut in Europe. However, because of the political ramifications, because of the fact that we have at the present time mutual balanced force reduction talks going on in Europe, and because of the intensification of foreign relations as a result of the Middle Eastern crisis it would not now be a good time to mandate cuts in Europe.

I believe we are going to have to face this issue in the coming year, and I believe Congress should review the entire troop commitment to Europe with a purpose of making a substantial reduction in our Armed Forces, particularly in West Germany and in other Western European nations. But we have many other troops outside of Europe. There are approximately 42,000 in Thailand. There are about 19,000 troops in Japan. There are 42,000 troops in South Korea, and 16,000 in the Philippines, and many thousands in other areas of the Pacific and Asia.

Then, also, there are many troops here at home. The Armed Forces can find proper places to cut. There are headquarters in excess of those needed by our Armed Forces. Our report indicates quite clearly several superfluous or excessive headquarters which could be reduced or eliminated. This could be done. I will not take the time to tell you about it now. There are many reasons why we should reduce our Armed Forces. We are in a period of peace for the first time in 10 years. Many of the military personnel which we have are not really necessary and could be released and eliminated. Let me give you one very real reason, and that is our our volunteer army really is not working, we are not getting the recruitments.

I am suggesting here that we add 22,000 military personnel reductions to the 53,000 reduced by the Armed Forces Committee and our own committee, making a total of 75,000 by next June. Where are they going to find them? As of the end of October I am informed that the active-duty strength has been down because of failure to recruit. They are down to the extent of 66,000 people. The services are 66,000 personnel short as of October—people who should be on the rolls but are not because they have not been able to recruit them. They are going to have very little, if any, problem finding where to cut because of the fact that, they are going to come up next June with certainly the stated 66,000 shortfalls in recruitment and, therefore, in personnel.

Being 66,000 short as of October indicates that they will probably be over 75,000 short by next June and the 75,000 cut will be automatic.

I feel that this is a modest start toward a great controversy which we all know has been raging in this Congress, and that is to really substantially reduce the size of our Armed Forces, particularly military personnel.

This is modest. This is not an excessive amendment. It is not anywhere near the 150,000 that has been suggested from time to time.

Mr. Chairman, I urge support of the amendment.

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

Mr. Chairman, I shall not use up the entire 5 minutes. I was just late in getting here because I was so startled by the statements being made by the gentleman who preceded me, and shocked that he really apparently does not know what is going on.

This body rejected this exact amendment in effect when we had before this House the procurement bill. But, more importantly, what this body did was to establish a study of the military manpower with a view to cutting the strength of that manpower and reporting back to the House here in April. This is in being. It is being done. It will be concluded, and the Members will have their report in effect with a study instead of a speech, which is merely a parroting and repetition of things which have been voted down so often by this House.

Mr. Chairman, I urge rejection of the amendment.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the peak manpower level of our Armed Forces in recent years has been 3.5 million. We have been gradually coming down in number of military personnel since 1969. We are now down to 2.2 million, and I do not know how much farther we will go down. The Armed Services Committee worked on this issue, having extensive hearings and innumerable debates over quite a period of time. In the final version of this Armed Services Authorization bill, a cut of 43,000 personnel was agreed to by the conference. Now to just come in willy-nilly and say we are going to reduce some 22,000 more just because on general principle we think we have too many, of course, should not be done. As long as we are not fighting, we always have too many, in a way. People are in the Armed Forces to fight, and they are not fighting unless we are in a war. But we have to maintain a certain degree of military strength.

In the appropriation bill before us we made reductions of various kinds in a number of programs which we calculated would justify an additional cut of about 10,000 men. But this was based upon certain specific actions taken with respect to excessive numbers of counselors and some other types of personnel. So I would think that Members would not want to vote for this additional reduction in manpower at this time when we are trying to come to an agreement and accommodation with the Soviet Union in a further reduction in armed forces in Europe.

The gentleman from Connecticut says he does not wish to apply this to armed forces in Western Europe where great numbers of military personnel are, and where I hope there can be and will be a reduction. Ultimately, there will have to be.

So I would think it would not be wise for us to indicate that we want to make further reductions beyond those which have been recommended by the Joint Chiefs of Staff, the President, the Armed Services Committees, and the House and Senate through the authorizing legislation which has been enacted.

I earnestly appeal to the Members to vote against this amendment. Let us stand firm at this stage and not make further reductions until we feel they can be made safely after very extensive hearings and consideration by the Congress.

Mr. BOLAND. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I hesitate to get into some area of a particular subcommittee upon which I do not serve.

I did not vote for the amendment offered by my friend, the distinguished gentleman from New York (Mr. ADDABBO), but I do support this amendment.

I am impressed by the statistics that have been given to us by the distinguished gentleman from Connecticut, the author of this amendment. The figures that he gave indicate that we had considerable conventional forces spread all over the world. I am concerned with the forces that we have in Asia, 166,000.

We have 42,000 in Thailand and Korea.

We have 19,000 in Japan.

We have 38,000 in Okinawa.

We have 16,000 in the Philippines and 9,000 in Taiwan.

Why? There is little necessity for keeping that number of conventional military forces in that part of the world.

I would agree with the gentleman from

Connecticut that we should go slow in cutting back our conventional forces in Europe.

There is plenty of evidence to the effect that the Armed Forces are bloated, particularly in the rear echelons and the supply forces. This is the opinion of many in the Department of Defense. With 166,000 of our conventional forces in Asia, there is no reason why they cannot be cut back to 22,000. We ought to support this amendment.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the gentleman's amendment.

Last summer, when this subject was discussed, we were told how important it was not to do anything that would decrease our allies' confidence in us. Now, after the Mideast war, it is our turn to ask: What about our confidence in the reliability of our allies?

Evidently, overseas troops are not such a powerful instrument of foreign policy influence as we thought. They certainly do not stop a country from consulting their own interest and their own interest only, when the crunch comes. Perhaps it is time for us to consult our interest. Perhaps we should only station overseas troops when there is a sound military reason for doing it—not because we are terrified of offending allies who don't feel any particular obligation to us.

It seems as if the only result of our 600,000 troops overseas is to limit our freedom of action, while expanding the independence of our allies to act against our interests, even in a time of tension and crisis.

I remind my colleagues that there are no treaty obligations that commit us to any specific level of troops. I have asked the Pentagon again and again about this question, and received no assurances. If we could understand why the famous diplomatic revolution of the last few years has brought about absolutely no change in the military rationale for the 600,000 troops thrown all over the globe—or understand how the troops have gained us the loyalty of the host country—we could justify the Pentagon's resistance to any and all change. But the Pentagon cannot help us understand these things. Mr. Speaker, to station a single soldier in a foreign country is a grave act that requires positive justification. We cannot go on maintaining over half a million troops simply because they are there. It is time to rebel against this process. I urge the passage of the amendment.

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

Mr. DELLUMS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to join with the gentleman in the well and say that, if anything, this amendment is truly a modest one. It should be even greater.

I voted against the last amendment offered by the gentleman from New York. I thought the amendment would cut the defense appropriations a little bit too deep, but this is a very fair amendment. If anything, it is too little. It should be much greater.

This amendment is extremely equitable to the armed services. It provides the Army, Navy, Marine Corps, and Air Force the option of cutting their strengths wherever they desire. They need not sack Europe, although we have in excess of 300,000 troops there; they need not sack Thailand, although we have 42,000 troops there; they need not sack Japan or Korea, although we have more than 61,000 troops there. They can cut wherever they wish, they can cut whomever they wish. They can even reduce personnel levels here at home, and still come out with a fiscal yearend strength figure of 2,232,902 men. No troops are specified in this amendment, just military personnel.

Over 50 percent of the military budget goes for manpower costs. Much of this money is wasted needlessly. There are more officers, leading or managing fewer enlisted men than ever before in modern times. We can see the mismanagement and excesses daily—military servants at the beck and call of the brass; excess numbers of recruiters; public relations people; band members and other noncombatant forces. It is revealing to find out that only 15 percent of military personnel are "combat" forces. The other 85 percent provide engineering support, transport services, a logistic network, training facilities, and other nonhostile services.

Many other problems exist which a total reduction of 75,000 personnel could aid in resolving: Too many troops are assigned to bloated command headquarters. Too many troops are stationed overseas in areas where they are no longer needed.

In short, there can be substantial savings from reforms in all manpower areas without any loss of combat effectiveness. This amendment will help us to firm up the muscle of our armed services, and I urgently solicit your support for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 210, not voting 63, as follows:

[Roll No. 609]

AYES—160

Abdnor	Boland	Cotter
Abzug	Brademas	Coughlin
Adams	Brasco	Culver
Addabbo	Brown, Mich.	Daniels, Dominick V.
Anderson, Ill.	Broyhill, N.C.	Dellenback
Andrews, N. Dak.	Burke, Fla.	Dellums
Ashbrook	Burke, Mass.	Denholm
Ashley	Burton	Dennis
Aspin	Carey, N.Y.	Dent
Badillo	Clancy	Donohue
Barrett	Clark	Drinan
Bergland	Clay	du Pont
Biaggi	Cleveland	Eckhardt
Biester	Cohen	Edwards, Calif.
Bingham	Conte	Eilberg
Blatnik	Conyers	Esch
Evans, Colo.	McCloskey	Roncalio, Wyo.
Fascell	McCormack	Roncallo, N.Y.
Findley	McDade	Rosenthal
Foley	McKinney	Roush
Ford, William D.	Madden	Roy
Forsythe	Madigan	Roybal
Fraser	Mallary	Ruppe
Frenzel	Matsunaga	Ryan
Fulton	Mayne	St Germain
Gaydos	Mazzoli	Sarasin
Giaimo	Meeds	Sarbanes
Gibbons	Melcher	Schneebeli
Grasso	Mezvinsky	Schroeder
Gross	Miller	Seiberling
Grover	Minish	Skubitz
Gude	Mink	Stanton, James V.
Hamilton	Mitchell, Md.	Steele
Hansen, Wash.	Moakley	Steelman
Harrington	Moorhead, Pa.	Steiger, Wis.
Hawkins	Morgan	Studds
Hechler, W. Va.	Mosher	Sullivan
Heckler, Mass.	Moss	Symington
Heinz	Nedzi	Thompson, N.J.
Hicks	Nix	Thone
Holtzman	Obey	Tiernan
Howard	O'Neill	Udall
Hungate	Parris	Ullman
Johnson, Calif.	Pike	Vander Jagt
Johnson, Colo.	Podell	Vanik
Jordan	Pritchard	Waldie
Kastenmeier	Rarick	Whalen
Koch	Rees	Wolff
Kyros	Reuss	Yates
Leggett	Riegle	Yatron
Lehman	Rinaldo	Young, Ga.
Lent	Robison, N.Y.	Zwach
McClory	Rodino	
	Roe	

NOES—210

Alexander	Froehlich	Mitchell, N.Y.
Andrews, N.C.	Fuqua	Mollohan
Annunzio	Gettys	Montgomery
Archer	Gilman	Moorhead, Calif.
Armstrong	Ginn	Murphy, N.Y.
Bafalis	Goldwater	Myers
Bauman	Gonzalez	Natcher
Beard	Goodling	Nelsen
Bennett	Gray	Nichols
Bevill	Green, Oreg.	O'Brien
Blackburn	Gubser	O'Hara
Boggs	Gunter	Passman
Bowen	Guyer	Patman
Bray	Haley	Patten
Breaux	Hammer-schmidt	Pepper
Breckinridge	Hanley	Perkins
Brinkley	Hanrahan	Peyser
Brooks	Hansen, Idaho	Pickle
Broomfield	Harsha	Powell, Ohio
Brotzman	Harvey	Preyer
Brown, Ohio	Hastings	Price, Ill.
Broyhill, Va.	Hébert	Price, Tex.
Buchanan	Henderson	Quie
Burgener	Hinshaw	Railsback
Burleson, Tex.	Hogan	Randall
Burlison, Mo.	Holifield	Regula
Butler	Holt	Reid
Byron	Horton	Rhodes
Carter	Hosmer	Roberts
Casey, Tex.	Huber	Robinson, Va.
Cederberg	Hudnut	Rogers
Chamberlain	Hunt	Rooney, Pa.
Chappell	Hutchinson	Rose
Clausen, Don H.	Ichord	Rostenkowski
Collier	Jarman	Rousselot
Collins, Tex.	Jones, Ala.	Runnels
Conable	Jones, N.C.	Ruth
Conlan	Jones, Okla.	Sandman
Cronin	Jones, Tenn.	Satterfield
Daniel, Dan	Kazen	Scherle
Daniel, Robert W., Jr.	Kemp	Shipley
Davis, S.C.	Ketchum	Shoup
Davis, Wis.	King	Shriver
Delaney	Kluczynski	Shuster
Derwinski	Kuykendall	Sikes
Dingell	Landgrebe	Sisk
Dorn	Latta	Slack
Dulski	Long, La.	Smith, Iowa
Duncan	Long, Md.	Smith, N.Y.
Edwards, Ala.	McCollister	Spence
Erlenborn	McEwen	Staggers
Evins, Tenn.	McFall	Stanton, J. William
Fish	McKay	Steed
Fisher	Mahon	Stephens
Flood	Mailliard	Stratton
Flowers	Mann	Stubblefield
Flynt	Maraziti	Stuckey
Ford, Gerald R.	Martin, Nebr.	Symms
Fountain	Martin, N.C.	Taylor, N.C.
Frelinghuysen	Mathias, Calif.	Teague, Calif.
Frey	Milford	Teague, Tex.
	Minshall, Ohio	

Thomson, Wis.	White	Winn
Thornton	Whitehurst	Wright
Towell, Nev.	Whitten	Wydler
Treen	Widnall	Wyman
Veysey	Williams	Young, Fla.
Vigorito	Wilson, Charles H., Calif.	Young, Ill.
Waggonner		Young, Tex.
Walsh	Wilson, Charles, Tex.	Zablocki
Wampler		Zion
Ware		

NOT VOTING—63

Anderson, Calif.	Eshleman	Owens
	Green, Pa.	Pettis
Arends	Griffiths	Poage
Baker	Hanna	Quillen
Bell	Hays	Rangel
Bolling	Helstoski	Rooney, N.Y.
Brown, Calif.	Hillis	Sebelius
Burke, Calif..	Johnson, Pa.	Snyder
Camp	Karth	Stark
Carney, Ohio	Keating	Steiger, Ariz.
Chisholm	Landrum	Stokes
Clawson, Del	Litton	Talcott
Cochran	Lott	Taylor, Mo.
Collins, Ill.	Lujan	Van Deerlin
Crane	McSpadden	Wiggins
Danielson	Macdonald	Wilson, Bob
Davis, Ga.	Mathis, Ga.	Wyatt
de la Garza	Metcalfe	Wylie
Devine	Michel	Young, Alaska
Dickinson	Mills, Ark.	Young, S.C.
Diggs	Mizell	
Downing	Murphy, Ill.	

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TIERNAN

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

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: On page 50, line 14 add a new section as follows: "None of the funds appropriated by this Act shall be used for the acquisition, loan, grant, or the transfer of weapons and military equipment to nations which practice a commercial embargo of any kind against the United States".

Mr. TIERNAN. Mr. Chairman and Members of the Committee, this is a very short amendment, but I think it is clear there has been an embargo placed upon certain products needed in this country, and I think the funds made available in this bill to aid and assist those countries using this economic embargo on goods to our country, is going to bring this country to a halt very shortly. I think the only way we can demonstrate to them and send them the message is by putting language in this bill that would prohibit the use of funds for any of the materials that are provided for in this act to those countries that use this type of method against a country that has pursued a policy of assistance to another country they oppose.

So that it is clear that we have to take some drastic steps. The announcements on the wire this afternoon with regard to curtailment of airline service; the requirements that no fuel be used in areas of agricultural production—these are things that are going to hurt us very seriously in the next few months and probably for many years ahead, as a result of the policy that is being pursued by some of these countries. This policy that they have pursued has resulted in the Japanese Government changing their support of Israel. They are now in London today negotiating with the British.

I think we should clearly indicate to our allies and to those countries that are doing this that we do not intend to allow this to happen. The only way to do that is by clearly indicating that we will not provide them with the materials that they seek in this bill that is before us today.

Mr. Chairman, I yield back the balance of my time.

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

Mr. Chairman, none of us are happy about the oil embargo that has been imposed by the Arab countries against the United States. It is a natural thing to want to fight back when something like this takes place. However, I should like to remind the Members that the amount of oil involved is not very great. A little more than 10 percent of our requirements actually have been coming from Arab countries.

This is an all inclusive amendment. It does not say "Arab countries." It says "any country or nations which practice a commercial embargo of any kind."

The press has been saying that Canada planned to cut off oil to the United States. Are we going to cease all our relations with Canada under the terms of this amendment? I think we might look factually at what the amendment would do and what the dangers are.

This is nothing but a mischiefmaking amendment. There is a very delicate balance in the negotiations now taking place in the Middle East. Our Government through the efforts of Mr. Kissinger, is making very positive efforts to bring peace, and we are making some progress. Let us not jerk the rug out from under him when he is making progress. He has induced the Arabs and Israelis to talk together for the first time.

If Mr. Kissinger is sucessful and is able to bring about peace, we will all get the credit, and we can be certain the Arabs are going to be grateful. The Arabs want our friendship. They have shown that they want to be our friends in the past. We have had some very good relations with Arab countries, even up to the point of the oil embargo, and even now we are continuing to work with some of the Arab nations through the military assistance advisory groups and the missions. We were selling them weapons. They have money with which to buy weapons.

Saudi Arabia, which has one of the greatest stocks of oil in the world, has been a staunch friend of ours and will be again as soon as this Middle Eastern problem is resolved. They buy weapons from us.

Kuwait wants to buy nearly a billion dollars worth of weapons. They were negotiating with the United States for weapons—not to use against Israel, but to protect themselves against Iraq, because they are frightened by their larger neighbor. The Iraqis have been armed to the teeth by the Russians in exchange for a naval base on the Persian Gulf. The Kuwaitis have great stocks of oil. They want to buy from us. Our country needs the business. Our men need the jobs. They have the money to buy the weapons.

Let us not tie our diplomats hands when we may be on the eve of working out our problem.

Let us not upset this delicate balance which now exists in these negotiations. We could destroy it by this one simple amendment, and do more harm than could be undone in weeks and months of negotiations.

Mr. Chairman, I ask that the amendment be defeated.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I should like to ask the gentleman from Florida some questions, if I may.

The gentleman has pointed out that if any country declared an embargo against the United States this amendment would be applicable. Why should it not be applicable? Countries who declare embargoes against the United States are obviously trying to cripple us, to injure our industry in some way. Is it not fair game for us to respond? Do we have to subsidize countries which are trying to hurt us economically?

Mr. SIKES. If the gentleman wishes me to respond and is asking me a question he should give me an opportunity to do so. We are not subsidizing any country that would be affected by this amendment insofar as I know.

What I am very concerned about is that this type of amendment will upset the negotiations which are now in progress in the Middle East. I spoke of the fact that the Saudi Arabians and the Kuwaitis want to buy our weapons and want our assistance in such matters as training.

Mr. LONG of Maryland. Mr. Chairman, I wonder if I can ask the gentleman another question.

Mr. SIKES. I will be glad to have him ask me a question. I will try to explain.

Mr. LONG of Maryland. We are actually sending hundreds of millions of dollars into the Middle East to arm the Arabs. As a matter of fact, next to the Russians, we are the best suppliers of arms to the Arabs. Does this make sense for us to arm countries which have declared war against Israel, a nation which is friendly to us, which is the one bastion of Western democracy in the Middle East? Does this make sense?

Mr. SIKES. Does the gentleman want me to answer? I am sure my distinguished and able friend knows full well we have not had a single weapon sent to any Arab nations since the war started. We were selling some of them weapons before the war. Since the war we have shipped only to Israel and we do not propose to resume shipments to the Arab countries until there is peace in that part of the world.

Mr. LONG of Maryland. I am referring to weapons that we shipped to the Arabs before the attack on Israel. This bill provides for all kinds of money, weapons being sold, and advisory services of all sorts that are being supplied by the Saudi Arabians. The Saudi's are the biggest beneficiaries and they will get the technical services that only the United States can supply.

By the way, where are these negotiations the gentleman is talking about?

What is coming out of them? Have the conversations in the Middle East given us any oil?

That is the question I would like to get an answer for from the gentleman.

Mr. SIKES. If the gentleman will yield, I will be glad to answer him.

Mr. LONG of Maryland. Are we not entitled to do something in this bill to protect ourselves?

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

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

Mr. Chairman, I recognize that there is some restlessness among the Members.

I had earnestly hoped this amendment would not be offered. I had amost prayed that it would not come up because I felt it would be so harmful to the interests of the United States and the cause of peace and the hope that we may be able to resume securing adequate oil shipments from the Arab nations.

The amendment was offered in the full committee and it got one vote. There was not a rollcall.

There is no use to slap the Arab nations in the face. We are helping supply the Israelis, of course; but to slap the Arabs in the face is not wise. Actually, they are anti-Communists, generally speaking. They would like to be our friends and they will be our friends in the long run, I believe.

The head of Saudia Arabia, King Faisal, is I believe desirous of maintaining friendship with the United States. For diplomatic reasons he has made statements and taken actions unfavorable to the United States but I trust a friendy relationship can be resolved.

I just hope we will vote this amendment down so decisively that it will not embarrass our Government as we undertake to get some degree of stability in the Middle East and get, finally, a resolution of the situation in the Middle East.

To try to wave the flag and to condemn those who have embargoed oil is not wise at the moment. The situation is a delicate one. The Arab nations are going to be here after this debate is over and they are going to be here a long time and they have a lot of oil.

Indeed we have many friends among the Arab people. I realize diplomatically and officially they have taken a position against us, but it would be a bad mistake for us to create a further division and that is what this amendment would do. So I urge the Members to use the best part of wisdom, which seems most apparent, and vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. TIERNAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. TIERNAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. HARRINGTON. Mr. Chairman, on this occasion the House of Representatives is concluding consideration of the largest appropriations measure that will come before the Congress this year, H.R. 11575, the fiscal 1974 defense appropriations bill. Quite frankly, Mr. Chairman, I am opposed to this bill on both substantive and procedural grounds. I believe that this legislation and the manner in which it is being considered are not a credit to the institutions and ideals of our Government.

This $74.5 billion bill represents 43 percent of the $172.9 billion in appropriations measures upon which the Congress will pass judgment in this fiscal year. It has the broadest of implications for the economy and foreign policy of our Government. Yet, this bill has been brought before the House with almost no notice, and the opportunity for reasonable criticism has been paid only lipservice. Once again, the majority of the Members of this House seem to accept with blind faith the admonitions of the Pentagon.

The rules of the House require, before an appropriations bill can come to the floor, that for at least 3 days prior to consideration the report on such appropriations bills must be available to all Members. The Appropriations Committee, while it may have complied with this rule in its narrowest sense, has violated it in effect. The committee report on the defense appropriations bill was filed late Monday evening, thus making the bill nominally eligible, under the rules, for consideration yesterday and today on the House floor. However, many if not most Members were as a practical matter unable to obtain the committee report on this bill until, at the earliest, Tuesday afternoon. For most, the report could not be obtained until Wednesday.

As a result, many Members had at best only a day or two to study this complex and enormously important legislation—hardly enough time to formulate responsible analysis and criticism of even the most trifling legislation, much less a bill of this magnitude. Even had the Appropriations Committee adhered more strictly to the intent of the "3-day rule," there would not have been sufficient time. I do not understand, quite honestly, why time and time again defense appropriations bills come to the House when thorough review and analysis are made almost impossible because of the crush of legislative pressures.

The substance alone of this bill makes it unacceptable, at least from my point of view, and the procedural sleight-of-hand carried out by the Appropriations Committee make this bill, if possible, more undesirable, and more indicative of just how far there is to go before Congress will be in more than name a responsible, democratic, and responsive institution.

One of the realities of this House is a consistent pattern of deferral on questions related in even the most tenuous ways to the military. There is a "sacred cow" mentality when the House in its faltering way addresses questions of defense and military policy. Consistently, we fail to ask the hard questions, preferring instead to follow the easy and safe path of accepting without doubt the gold-plated offerings presented to us with the pretext of "national security." We content ourselves with cosmetic challenges, superficial alterations, all part of an elaborately orchestrated facade of meaningless scrutiny of defense programs, policies, and spending. Each time we tinker with the Pentagon budget here and there, removing a couple of million for one program and adding it to the next, it is as if we play out a game where everybody knows what is going to happen in advance. Congress gets to make a show of authority over the Department of Defense, while the generals and civilian officials at the Pentagon smile, give a knowing wink, and get all they want.

Our debate on defense focuses not on policies, needs, and foreign policy assumptions, but upon what are essentially secondary matters—how much a given weapons system will cost, whether it will "work," how much of an overrun we can expect. The reality is that much of Congress views the judgment of the military to be somehow inviolate—despite the clear evidence of the last decade to the contrary. And, this same sense of deferral pervades within the Congress toward its own, where it seems that matters related to the military are beyond the understanding and appreciation of the elected Representatives of the people—except for a few, who, by virtue of tenure in office, have risen to positions of power in the Armed Services Committee and the Defense Appropriations Subcommittee.

I have been a member of the Armed Service Committee, and to the extent that I am somewhat qualified to comment on the basis of my 2 years of service upon this committee, it is my sense that there is an inordinately cozy relationship between this committee and the mammoth military institution that it is supposed to oversee and direct. For the most part the committees of this House that deal directly with the military are essentially captives of the Pentagon, either unable or unwilling to exercise any kind of meaningful control over policies, programs, or spending.

The reality of the process is that we are confusing motion for progress. It is not enough to criticize this or that weapons system, although there is more than ample cause to do so. It is not enough to trim the defense budget here and there, not enough to hold hearings that are characterized singularly by their secrecy and lack of searching debate. What we have to do, and what we have failed to do so far, is to really come to grips with the policy assumptions that are the cause of whatever programs there are contained in the defense budget.

In a sense, we are operating in a context so narrow that the bulk of this House seems to have lost sight of the present situation of the United States in the world. The war in Vietnam, at least in terms of direct American participation, is over. Yet the defense budget is going up. We have just concluded, and here I must give credit to the President, a strategic arms limitation agreement,

eliminating the need for an anti-missile-defense system and opening the door for the first time in 25 years to a genuine opportunity to curb offensive strategic weapons. Yet the strategic weapons budget is going up. We are seeing clear and demonstrated evidence that the Defense Department's needless obsession with exotic technology is pricing our weapons systems beyond our reach. Yet this bill appropriates funds for more of the same.

We are trapped by the momentum of our past mistakes. Each year we rubber-stamp the programs offered by the Defense Department, programs justified by policies, assumptions, and conceptions of our role in the world that were out of date years ago. We must break out of this vicious cycle of continually compounding our past mistakes.

This year there has been a great deal of talk about how we need budget reform, and how we ought to impose a spending ceiling so that there will be an arbitrary control of the continued inability of the Congress to address the budget in a meaningful way. So we have the prospect this year of an imposed ceiling of about $270 billion. It is fine to talk about cutting spending in the abstract, but we do little about it in earnest. This $74.5 billion bill is only a part of the total appropriations that will be delivered to the Defense Department this year, as we can expect and additional $3.4 billion for military pay increases that have already been implemented, and $2.6 billion for military construction.

Despite the rhetorical commitment to control of Federal expenditures, we are proceeding along with defense appropriations that will total record amounts. Already, latest estimates forecast congressional budgetary actions as exceeding our spending ceiling by $2 to $4 billion. Our inability to apply controls upon excessive, needless, and wasteful defense spending will compound this problem, and may well cause further reductions in spending for domestic and social welfare programs that in many cases have already been cut to the bone. Why is it, I feel compelled to ask, that we cannot apply the same cost-cutting requirements to the Pentagon that are almost uniformly applied to all other agencies?

The Constitution gives to the Congress broad authority over the conduct of foreign affairs, as well as oversight responsibility over the agencies of our Government. Over the course of the years the participation of Congress in the decision-making process of foreign and military policy—concerns which are of course inextricably intertwined—has markedly declined, and the Congress has all too willingly acquiesed to this process. Now it is a reality that the Congress is a fifth wheel when it comes to policy, and it is policy that is in the last analysis what is really important in the context of foreign and military affairs, because it is from policy that everything else—the programs, the systems, the apparatus—follows. We need to reevaluate the fundamental policies from the top down, accepting nothing as inviolate. We need to ask and to answer these fundamental questions, to make Congress responsible and responsive in a way that it has not been. This defense appropriations bill is a continuation of all that has marked our failures, and as such deserves defeat. We can do better, and must.

Ms. ABZUG. Mr. Chairman, I am voting against this bill because of the unprecedented problems our country faces at home and abroad. True security will be found only when the Nation is willing to deal with its domestic needs and withdraws support from military dictatorships around the world.

I am especially alarmed by the signs of reinvolvement in Southeast Asia, which this bill would help to underwrite.

I was shocked to read in this morning's New York Times that the State Department is considering whether President Nixon can legally order a resumption of U.S. bombing in Vietnam, in violation of the cease-fire agreements. The administration is said to believe that the recently passed war powers legislation would enable the President to do this despite the restraining provision attached to the military procurement authorization.

I am also shocked to read on the same page of the Times that South Vietnamese Air Force officials confidently expect 100 new planes by the end of the year. This too is in violation of the Paris agreements. Further, in view of the oil shortage at home, it was shocking to hear the CBS Pentagon correspondent report that the United States is still sending 22,000 barrels of oil a day to Cambodia and South Vietnam, most of which is used to keep the South Vietnam Air Force flying. We have already made this tiny country's air force the third largest in the world; now we are asked to send more money and more scarce oil to keep the bombs falling.

We must recall that 100,000 to 200,000 political prisoners still languish in Thieu's jails. Tales of torture continue to surface. The destruction of political dialog continues to prevent any possibility of peaceful settlement. I urge you also to recall that $1.1 billion in this bill includes funds for operations and maintenance and personnel support; this is contradictory to what DOD has defined to the Congress as our obligations under the Paris agreement. This figure is a political message to Thieu, telling him to go on with the war as usual—which he is doing.

How much gasoline do the American people want to spend to help Thieu destroy the Paris agreement and kill and maim his countrymen? It is bad enough that we are to pay for the gas necessary for Saigon's Honda economy, but it is insupportable that we also fuel forever Thieu's monstrously bloated military machine. How many of your constituents want to shiver in the dark this winter to allow a Vietnamese pilot to blow 671 gallons of gas in his new F–5E to bomb yet another village? Who are we representing? Will we next see more of the $10 billion unobligated funds in this bill put to work for America's reinvolvement in Vietnam?

Somehow we have allowed control of the military to slip away from civilians, as the dissenting members point out in Appropriations Committee's report. The committee has actually cut less from this budget than they cut from last year's smaller budget. Last year they cut $5 billion; this year it is less than $3 billion. Why?

Ten billion dollars in unexpended and unobligated funds still held by the Pentagon is untenable when the country is desperate for better health, education, and housing. The Congress must regain control of the Nation's resources.

Mr. DONOHUE. Mr. Chairman, I most earnestly hope that our final action on this bill before us, H.R. 11575, will be scrupulously governed by our joint responsibility to adequately provide for the military defense of this Nation against any possible armed threat to our national security and, at the same time, to insure that every one of the taxpayers' dollars we approve for military defense is spent with the greatest prudence. I submit, Mr. Chairman, that there is no contradiction whatever in the effective exercise of these two principles of our high legislative duty.

The military portion of our national budget is, by far, the largest single area of expenditure and we must be mindful that this bill before us now represents 59 percent of all appropriations controllable by the Congress.

On this score, I intend to support and earnestly hope that amendments designed to sensibly reduce the overall proposed appropriation will be thoroughly discussed and resoundingly approved in the national interest.

Mr. Chairman, authoritative testimony and evidence has been presented here to clearly indicate that reasonable and sensible reductions in and elimination of unjustifiable cost overruns on major weapons systems, unnecessarily large American military bases and forces abroad, the construction of very vulnerable nuclear aircraft carriers, obviously excessive numbers of senior officer grades, and regrettably great military waste and extravagance could achieve substantial justifiable cuts in this proposed military budget without, in any way, adversely affecting the military security of the American people.

As a matter of further fact, Mr. Chairman, the U.S. Conference of Mayors has been advised by a highly respected panel of military experts that it is quite feasible to accomplish deep reductions in the military budget simply by eliminating waste. Also, in a report issued earlier this year to Congress it was stated—

> Even a conservative analysis shows that some $14 billion can be saved from the Nixon proposal while fully preserving our national security and starting a return to a peacetime national budget.

It is simply and basically because of this consistent and authoritative testimony and evidence of unjustified expanded expenditures and alarming waste that I have repeatedly urged, over these past several years, that the Congress should apply the closest scrutiny and question of the legitimate extent and commitment of military spending.

Let us further and thankfully emphasize that the Vietnam war is over and that the administration itself is

projecting a most optimistic attitude toward and confidence in a sustained friendly relationship with all the great world powers.

The sudden development of the current energy crisis highlights the growing demand of our domestic needs and national priorities and whatever unnecessary funding can be pruned from an excessive military budget can be well and wisely spent for such critical urgencies as health, education, community development, mass transportation, waste disposal, long-range research and development in the energy field, and a host of other programs that are absolutely essential in our efforts and our duty to improve the quality of life for all Americans.

Of course, it goes without saying, Mr. Chairman, that a great many Members of Congress and citizens generally are conscientiously concerned as I am, as we all are, of assuring the adequacy of our military deterrent force. The motives and sincerity of these individuals and groups are above question. But I, just as conscientiously, consider it our simple obligation to the American taxpayer to hold the Department of Defense purse strings—and those of any other Federal agency—as tightly as possible. We simply cannot and should not hand over to the Defense Establishment, or any other Government unit, the right to an unquestioned blank check on the shrinking account of the American taxpayer.

Therefore, as we proceed in our judgment of this bill, I earnestly hope that we will predicate our final decision on a principle of legislative prudence and responsibility in the disbursement of the taxpayers money in the interest of restoring our national stability, maintaining our common defense, and strengthening the cause of peace in this troubled world.

Ms. HOLTZMAN. Mr. Chairman, it is with great reluctance that I rise in opposition to this bill which appropriates $74 billion for our military budget in fiscal year 1974. I fully recognize and support the need for a tough and lean and ready military capability for the United States. The crisis in the Middle East has proven that point beyond any question.

But the crisis in the Middle East has also taught us about our own problems of unpreparedness and waste that have undermined our military capability. This bill perpetuates those problems and places military priorities on the Pentagon's pet projects instead of the weapons and hardware that we must have to confront the real military needs of our time.

There is not a cent in this budget for military weapons for Israel, nor is there any money for the replacement of the weapons that we provided to Israel.

What this budget reflects is the continued inability of Congress to control Pentagon spending and direct it away from chauffeurs, an overweight officers corps, useless sophisticated weapons and into the tanks and bullets that we need and the weapons that can actually meet the combat needs caused by increases in Russian technology.

It is not until we in the Congress defeat this kind of Pentagon Pablum that we are going to get a military budget that is tailored to military realities. By voting against this budget we in Congress can give notice to the Pentagon that we are going to insist on cutting out the fat and developing and producing weapons and a military capacity that will provide a strong defense and can be used by our friends, such as Israel, when the occasions warrant it.

Mr. PICKLE. Mr. Chairman, I wish to take a moment to commend the Appropriations Committee for its thorough review of this proposal.

During the time that the central part of Texas was being considered as a possible location for the Project Sanguine electronic grid, I expressed to the Navy my view the project should not go forward until the residents of central Texas were convinced of its desirability.

Obviously the committee felt the same way—and was not convinced of the need or desirability for this program since they recommended it be terminated. This saved $16.7 million in appropriations.

Important questions were not being answered to how the construction phase of Sanguine would alter the land area involved and how Sanguine's operation would affect long-term land values, ranching operations, and other aspects of the region's economy.

Navy feasibility studies and statements by independent scientists left doubt whether Sanguine would even perform as anticipated upon completion.

I am certain our patriotic hill country citizens would do whatever was expected of them if the need for national security was proven, but in the absence of these facts are inclined to refer the project back to Wisconsin or Minnesota.

I do understand a more reliable link with our undersea defense forces should be developed, and I most assuredly endorse the concept of maintaining an effective deterrent capability.

However, evidence available at this time did not, I think, indicate the Llano Uplift was the most desirable construction site, nor does it prove conclusively that Sanguine is the only possible method of gaining improved communications with our nuclear submarine fleet.

Mr. BARRETT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire.

The Appropriations Committee in its report, and I quote:

> Is recommending that a provision be included in the bill placing a limitation on the amount of funds appropriated for the alteration, overhaul, and repair of naval vessels which can be allocated to naval shipyards. The purpose of the recommended limitation is to assure that a certain portion of the funds appropriated for this work be allocated to private shipyards.

The committee then goes on to present its case in support of the proposals. At best it is a rather weak case, if it can be considered a case at all; for it is plainly stated that the Navy in the past has allocated this type of work to private yards. So it is recognized that the Navy has the authority to allocate work to Navy and private shipyards and has used this authority, exercising its responsibility and authority as dictated by conditions at the time a decision is being made. The committee questions prior allocations because they have differed from the preliminary indications by the Navy to the committee. This the committee uses in support of the proposed dollar limitation in the bill, which the amendment proposes to strike.

Mr. Chairman, the committee has not made a case in support of its position. The proposed figure, a dollar amount, was an estimate presented by the Navy in January. Increases in costs, due to labor and material, negates the validity of that figure. It will be far less than the 70 percent as originally projected. The Navy has objected to the provision in the bill, estimating the reassignment of over $40 million in work. More serious than this however, is the effect on our naval shipyards. It will cause a total reduction of 3,450 personnel. Of this amount Philadelphia is expected to lose 900 personnel.

These people will be put out of work in addition to the thousands in Philadelphia who have been and will be laid off because of announced moves and changes by the Department of Defense and military departments.

The provision in the bill will also have serious consequences on the effectiveness and state of readiness and proficiency of our naval shipyards. We cannot continue to undermine their capabilities without affecting their end product.

Experience has already shown that all too often the private shipyards are unable to do the jobs assigned to them. Putting more such work in private yards will not change that situation. The result is often costly, in terms of dollars and time, because of having to remove the ship to a Navy yard after the private yard has started the job.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11575) making appropriations for the Department of Defense for the fiscal year ending June 30, 1974, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

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

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

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

Mr. MINSHALL of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 336, nays 23, not voting 74, as follows:

[Roll No. 610]

YEAS—336

Abdnor	Evins, Tenn.	McKinney
Adams	Fascell	Madden
Addabbo	Findley	Madigan
Alexander	Fish	Mahon
Anderson, Ill.	Fisher	Mailliard
Andrews, N.C.	Flood	Mallary
Andrews, N. Dak.	Flynt	Mann
	Foley	Maraziti
Annunzio	Ford, William D.	Martin, Nebr.
Archer		Martin, N.C.
Armstrong	Fountain	Mathias, Calif.
Ashbrook	Frelinghuysen	Matsunaga
Ashley	Frenzel	Mayne
Aspin	Frey	Mazzoli
Bafalis	Froehlich	Meeds
Barrett	Fuqua	Melcher
Bauman	Gaydos	Mezvinsky
Beard	Gettys	Milford
Bennett	Giaimo	Miller
Bergland	Gibbons	Minish
Biaggi	Gilman	Mink
Biester	Ginn	Minshall, Ohio
Bingham	Gonzalez	Mitchell, N.Y.
Blackburn	Goodling	Moakley
Blatnik	Grasso	Mollohan
Boggs	Gray	Montgomery
Boland	Green, Oreg.	Moorhead, Calif.
Bowen	Grover	
Brademas	Gubser	Moorhead, Pa.
Brasco	Gude	Morgan
Bray	Gunter	Mosher
Breaux	Guyer	Moss
Breckinridge	Haley	Murphy, N.Y.
Brinkley	Hamilton	Myers
Brooks	Hammer-schmidt	Natcher
Broomfield		Nedzi
Brotzman	Hanley	Nelsen
Brown, Mich.	Hanna	Nix
Brown, Ohio	Hanrahan	O'Brien
Broyhill, N.C.	Hansen, Idaho	O'Hara
Broyhill, Va.	Hansen, Wash.	Parris
Burgener	Harsha	Passman
Burke, Fla.	Harvey	Patten
Burke, Mass.	Hastings	Pepper
Burleson, Tex.	Hawkins	Perkins
Burlison, Mo.	Hébert	Peyser
Burton	Heckler, Mass.	Pickle
Butler	Heinz	Pike
Byron	Henderson	Podell
Carey, N.Y.	Hicks	Powell, Ohio
Carter	Hinshaw	Preyer
Casey, Tex.	Hogan	Price, Ill.
Cederberg	Holifield	Price, Tex.
Chamberlain	Holt	Pritchard
Chappell	Horton	Quie
Clancy	Hosmer	Railsback
Clark	Howard	Randall
Clausen, Don H.	Huber	Rarick
	Hudnut	Regula
Cleveland	Hungate	Reid
Cohen	Hunt	Rhodes
Collier	Hutchinson	Rinaldo
Collins, Tex.	Ichord	Roberts
Conable	Jarman	Robinson, Va.
Conlan	Johnson, Calif.	Robison, N.Y.
Conte	Johnson, Colo.	Rodino
Corman	Jones, Ala.	Roe
Cotter	Jones, N.C.	Rogers
Coughlin	Jones, Okla.	Roncalio, Wyo.
Cronin	Jones, Tenn.	Roncalio, N.Y.
Culver	Jordan	Rooney, Pa.
Daniel, Dan	Kazen	Rose
Daniel, Robert W., Jr.	Kemp	Rostenkowski
	Ketchum	Roush
Daniels, Dominick V.	King	Rousselot
	Kluczynski	Roy
Davis, S.C.	Koch	Runnels
Davis, Wis.	Kuykendall	Ruppe
Delaney	Kyros	Ruth
Dellenback	Landgrebe	St Germain
Dennis	Latta	Sandman
Dent	Leggett	Sarasin
Derwinski	Lehman	Sarbanes
Donohue	Lent	Satterfield
Dorn	Long, La.	Scherle
Dulski	Long, Md.	Schneebeli
Duncan	McClory	Schroeder
du Pont	McCloskey	Shipley
Eckhardt	McCollister	Shoup
Edwards, Ala.	McCormack	Shriver
Eilberg	McDade	Shuster
Erlenborn	McEwen	Sikes
Esch	McFall	Sisk
Evans, Colo.	McKay	Skubitz
Slack	Teague, Calif.	Whitten
Smith, Iowa	Teague, Tex.	Widnall
Smith, N.Y.	Thompson, N.J.	Williams
Spence	Thomson, Wis.	Wilson, Charles H., Calif.
Staggers	Thone	
Stanton, J. William	Thornton	
	Tiernan	Wilson, Charles, Tex.
Stanton, James V.	Towell, Nev.	Winn
	Treen	Wolff
Steed	Udall	Wright
Steele	Ullman	Wydler
Steelman	Vander Jagt	Wyman
Steiger, Wis.	Vanik	Yates
Stephens	Veysey	Yatron
Stratton	Vigorito	Young, Fla.
Stubblefield	Waggonner	Young, Ga.
Stuckey	Walsh	Young, Ill.
Studds	Wampler	Young, Tex.
Sullivan	Ware	Zablocki
Symington	Whalen	Zion
Symms	White	Zwach
Taylor, N.C.	Whitehurst	

NAYS—23

Abzug	Fraser	Obey
Badillo	Green, Pa.	Rees
Clay	Gross	Reuss
Conyers	Harrington	Riegle
Dellums	Hechler, W. Va.	Rosenthal
Drinan	Holtzman	Roybal
Edwards, Calif.	Kastenmeier	Seiberling
Forsythe	Mitchell, Md.	

NOT VOTING—74

Anderson, Calif.	Downing	Nichols
	Eshleman	O'Neill
Arends	Flowers	Owens
Baker	Ford, Gerald R.	Patman
Bell	Fulton	Pettis
Bevill	Goldwater	Poage
Bolling	Griffiths	Quillen
Brown, Calif.	Hays	Rangel
Buchanan	Helstoski	Rooney, N.Y.
Burke, Calif.	Hillis	Ryan
Camp	Johnson, Pa.	Sebelius
Carney, Ohio	Karth	Snyder
Chisholm	Keating	Stark
Clawson, Del	Landrum	Steiger, Ariz.
Cochran	Litton	Stokes
Collins, Ill.	Lott	Talcott
Crane	Lujan	Taylor, Mo.
Danielson	McSpadden	Van Deerlin
Davis, Ga.	Macdonald	Waldie
de la Garza	Mathis, Ga.	Wiggins
Denholm	Metcalfe	Wilson, Bob
Devine	Michel	Wyatt
Dickinson	Mills, Ark.	Wylie
Diggs	Mizell	Young, Alaska
Dingell	Murphy, Ill.	Young, S.C.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney of New York for, with Mrs. Burke of California against.

Mr. Anderson of California for, with Mrs. Chisholm against.

Mr. Owens for, with Mr. Diggs against.

Mr. Fulton for, with Mr. Waldie against.

Mr. Nichols for, with Mr. Stark against.

Mr. Karth for, with Mr. Stokes against.

Mr. O'Neill for, with Mr. Metcalfe against.

Mr. Hays for, with Mr. Rangel against.

Until further notice:

Mr. Carney of Ohio with Mr. Arends.

Mr. Beville with Mr. Gerald R. Ford.

Mr. Denholm with Mr. de la Garza.

Mr. Davis of Georgia with Mr. Crane.

Mr. Macdonald with Mr. Baker.

Mr. McSpadden with Mr. Keating.

Mr. Mills of Arkansas with Mr. Johnson of Pennsylvania.

Mr. Murphy of Illinois with Mr. Del Clawson.

Mr. Dingell with Mrs. Collins of Illinois.

Mr. Downing with Mr. Bell.

Mr. Danielson with Mr. Hillis.

Mr. Litton with Mr. Cochran.

Mr. Landrum with Mr. Buchanan.

Mr. Flowers with Mr. Goldwater.

Mr. Ryan with Mr. Camp.

Mr. Van Deerlin with Mr. Young of Alaska.

Mr. Dickinson with Mr. Wylie.

Mr. Eshleman with Mr. Brown of California.

Mr. Devine with Mr. Wyatt.

Mr. Bob Wilson with Mr. Lott.

Mr. Mizell with Mr. Michel.

Mr. Pettis with Mr. Young of South Carolina.

Mr. Quillen with Mr. Snyder.

Mr. Talcott with Mr. Sebelius.

Mr. Lujan with Mr. Mathis of Georgia.

Mrs. Griffiths with Mr. Steiger of Arizona.

Mr. Taylor of Missouri with Mr. Wiggins.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE A REPORT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

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

There was no objection.

SUPPLEMENTAL APPROPRIATIONS BILL, 1974

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11576) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Michigan (Mr. CEDERBERG) and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11576, with Mr. O'HARA in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, we have before us today the final supplemental appropriation bill of this session. The bill totals $1.43 billion and is $3.9 million over the budget.

Approximately 55 percent of this amount is for programs which had not been authorized earlier and were not included in the regular annual appro-

priation bills. These programs, however, were included in the President's budget.

In this category are $707.5 million for Social and Rehabilitation Service programs of HEW; $46.3 million for the domestic programs of ACTION; and $30.5 million for the traffic and motor vehicle safety programs of the Department of Transportation.

The bill also includes $52.2 million for an accelerated Federal Energy Research and Development program. These funds are provided in addition to more than $946 million already appropriated by the Congress for energy research and development. The added resources recommended by the committee will push forward a number of high priority energy research areas * * * including coal gasification and liquefaction and nuclear fusion.

There are a number of other major activities funded in the bill. Included in these are:

The $125.1 million for the emergency repair of levees and other facilities along the Mississippi River that were extensively damaged during the tragic spring and summer floods.

The $21.1 million to administer the vital mandatory petroleum allocation program.

The $110.0 million to cover increased costs of handling mail resulting primarily from recent salary and wage increases for postal workers. And finally

The $47.0 million to pay claims and judgments which have been adjudicated against the United States and which must be paid.

Mr. Chairman, I shall not take additional time now to comment in detail on the items in the bill before us. We have the committee report, and it is available to all Members. Hearings have been held and the volumes contain more than 2,000 pages of testimony and related material. There are 11 chapters to this bill, and the members of the subcommittees who conducted the hearings are generally present on the floor to help respond to questions.

STATUS OF APPROPRIATION BILLS

Mr. Chairman, we now have cleared through the House 12 of the 13 regular appropriation bills, plus 4 other appropriation bills and 3 continuing resolutions. The one remaining regular appropriation bill is foreign operations, and hopefully this bill will be before the House the end of next week. We have not been in a position to bring this bill to the House earlier due to the lack of legislative authorization.

Although we have now cleared 12 of the regular annual bills for fiscal 1974, all have not been signed into law. The military construction bill is in conference and we hope to be able to have the conference report before the House late next week.

We are hopeful that with House passage of the defense bill this week, it will move rapidly through the Senate. Of course, it is a very large and complex measure and will require some time.

The other pending appropriation measure is the conference report on the Labor-HEW bill. As Members know, the conference report was recommitted and we have met with the Senate and plan to file a further conference report today.

SUMMARY OF PENDING SUPPLEMENTAL

Mr. Chairman, in relative terms this is not a large supplemental bill. As I indicated, over half of the total amount in the bill is for programs on which action on the budget requests were deferred due to lack of legislative authoriaztion.

I don't believe there is any serious controversy over the items contained in the bill. It would seem appropriate, however, that as the bill is read the Committee of the Whole House might give consideration to any section of the bill that it may desire.

At this time, I will insert a summary table for the report showing the funds that are provided under the various chapters of the bill.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
SUMMARY

Chapter No.		Budget estimates	Recommended in bill	Bill compared with estimates
I	Agriculture—Environmental and Consumer Protection	$12,128,000	$11,500,000	−$628,000
II	Housing and Urban Development, Space, Science, and Veterans	8,200,000	7,800,000	−400,000
III	Interior and Related Agencies:			
	New budget (obligational) authority	77,307,000	88,131,000	+10,824,000
	Appropriation to liquidate contract authority	(1,500,000)	(1,500,000)	
IV	Labor, and Health, Education, and Welfare:			
	New budget (obligational) authority	751,451,000	763,357,000	+11,906,000
	By transfer	(840,000)	(2,800,000)	(+1,960,000)
V	Legislative	8,524,050	8,719,550	+195,500
VI	Public Works—AEC:			
	New budget (obligational) authority	$150,550,000	$161,850,000	+$11,300,000
	By transfer	(16,500,000)		(−16,500,000)
VII	State, Justice, Commerce, and Judiciary	30,230,000	32,587,000	+2,357,000
VIII	Transportation	39,063,000	30,570,000	−8,493,000
IX	Treasury, Postal Service, and General Government	304,326,000	281,160,000	−23,166,000
X	Claims and Judgments	47,011,168	47,011,168	
	Total:			
	New budget (obligational) authority	1,428,790,218	1,432,685,718	+3,895,500
	By transfer	(17,340,000)	(2,800,000)	(−14,540,000)
	Appropriation to liquidate contract authority	(1,500,000)	(1,500,000)	

Mr. CEDERBERG. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, I call the Committee's attention to the item identified as the "Public Building Services, operating expenses," account for the General Services Administration, which is one of the items included under chapter IX of the bill and is mentioned on page 42 of the report.

As will be seen therefrom, our subcommittee—and then the full committee—has made a $9,718,000 reduction from the budget estimate for this account. In part, that reduction reflected the fact that the other body, when it acted on this same item in the regular appropriation bill, made a $10 million reduction therein. The situation was then subsequently beclouded by the differences existing between this House and the other body over GSA's intent, as reflected in its original budget estimate last January, to reappropriate certain fiscal year 1973 funds into this account. In conference on the regular bill, the position of the House in this regard was sustained so, to that extent, this item—and a couple of others for GSA as now contained in this supplemental—became necessary in order to, more or less, make GSA whole insofar as its originally planned expenditure needs were concerned.

In any event, Mr. Chairman, since our subcommittee markup of our portion of this bill, the Administrator of the General Services Administration has made certain presentations to me indicating that if this sizable cut in this account is maintained it will be necessary for GSA, in light of the fact that most of the matters paid for from this account are in the nature of fixed charges, to undertake at once a substantial reduction in force of, mainly, its custodial and protection employees. There is a difference of opinion among our subcommittee members as to whether or not this RIF action would necessarily follow—though I am sure none of us intend such a result.

Under the circumstances, Mr. Chairman, I am not really in a position to offer an amendment to increase this item in the bill—nor, without my subcommittee chairman's support, do I think I could succeed. But I would—most sincerely—like to express the hope that our counterpart subcommittee in the other body would carefully consider GSA's problems, whatever they are in this regard, when it marks up this portion of the bill, next week, and, since it initiated the original $10 million cut in this item several months ago, would now reconsider the validity and wisdom under today's circumstances of such a reduction. If they should then decide to make an upward adjustment in the item, I tend to think—though I can speak only for myself, of course—that any such action of

their part would not give us trouble when we go to conference on the overall bill.

Mr. CEDERBERG. Mr. Chairman, I yield to the gentleman from Maryland (Mr. GUDE) such time as he may consume.

Mr. GUDE. Mr. Chairman, I wish to lend my strong support to the provisions in the supplemental appropriations measure which provide $50 million in additional funds for energy related work. In particular, I would call the attention of my colleagues to the $25 million earmarked for the vital work of the Department of the Interior's Office of Coal Research.

It has been estimated that coal reserves in the United States alone amount to more than 1 trillion tons. So vast is this reserve that experts have recently been quoted as saying that these reserves could serve as a major source of energy for 400 years. Of that amount, some 97 percent is available only through deep mining, according to Russell Train, Administrator of the Environmental Protection Agency.

These figures alone suggest the great importance of coal as a potential energy source, for the midterm. Certainly, for the long term, we shall wish to concentrate on developing nonfossil fuel sources. Problems do stand in the way of greater utilization of these coal reserves, however. American deep mining techniques are considered to be antiquated by European standards, for example. In addition, much of our coal is of a high-sulfur, high-ash content variety which cannot meet clean air standards.

Therefore, it is urgent for this Nation to get on with the job of finding ways to get at and utilize these coal reserves. It is this latter point which is specifically addressed in this legislation.

The Office of Coal Research has been pursuing several promising avenues of research into coal gasification and liquefaction. Pilot plants in Illinois, Pennsylvania, South Dakota, and New Jersey have begun to develop these various techniques needed to obtain useful fuel from our coal reserves.

One very interesting, and promising, process is known as the solvent refined coal method. In lay terms, this process "melts" coal, removes the high sulfur and ash content, and can then turn the material into a liquid fuel—such as is already being used to power the U.S.S. *Johnson*, a U.S. naval destroyer—it can gasify the coal, or it can resolidify the coal into environmentally clean coal. Some of our technicians tell me that we can expect the emergence of a commercial gasified coal industry by the end of the decade, if adequate resources are committed to the necessary energy R. & D. programs.

Certainly, the money provided in this legislation, while far from enough to do the whole job, will provide needed funding for this urgent coal, and other energy, R. & D. work.

If we are ever to become energy self-sufficient, in particular for the midterm period ahead, we must move with all deliberate speed to develop alternatives to oil as a source of energy. I again urge the full support of my colleagues for this vital effort.

Mr. CEDERBERG. Mr. Chairman, I have no further request for time and I yield back the balance of my time.

Mr. MAHON. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENVIRONMENTAL PROTECTION AGENCY

RESEARCH AND DEVELOPMENT

For an additional amount for "Research and Development", $10,500,000.

AMENDMENT OFFERED BY MR. LEGGETT

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

The Clerk read as follows:

Amendment offered by Mr. LEGGETT: Page 2, immediately after line 9, insert the following new paragraph:

No part of any funds appropriated under this Act may be used by the Environmental Protection Agency to administer any program to tax limit, or otherwise regulate parking facilities . . .

Mr. LEGGETT. Mr. Chairman, I have always supported the Environmental Protection Agency in the past, and expect to continue to support it in most cases in the future. I enthusiastically support vigorous efforts to purify our air and water, even though in many cases they are inconvenient and costly.

But as is the case with fine wine, what is good in small or moderate doses can be disastrous in excess. And EPA's proposed parking regulations just have to win the prize for excess of the decade.

In the Los Angeles area, EPA wants to charge all owners and operators of free parking lots of more than five spaces an annual surcharge increasing to $450 per space in 1976. This surcharge cannot be passed on to the consumer, but must be absorbed by the lot owner. Thus, the free parking spaces will become an intolerable financial burden; one chain of stores has told me the total parking surcharge will approach the level of its Federal income tax. As a result, the parking spaces will have to be abolished or converted to paid spaces.

Next, EPA wants to raise the price of paid commercial parking by imposition of a massive tax of as much as $2 per day. In the Washington, D.C., area, EPA would also require the large number of Government office parking spaces to charge prevailing commercial rates and to pay a surcharge on top of that, with the result that, by 1976, presently free parking spaces will cost $6 or $7 per day.

Finally and most ill-advisedly, EPA is setting out to mandate directly the reduction of parking spaces. In the Sacramento area in my district, EPA is requiring a 20-percent reduction in the total number of parking spaces by 1975. Parking lots will have to simply rope off one-fifth of their spaces, paint yellow X's on them, and prevent people from using them.

EPA's goal is to reduce automobile use by 57 percent in the Los Angeles area, 49 percent in the Sacramento Valley, and 65 percent in the San Francisco Bay area.

EPA section 52.251, published in the Federal Register this November 12, prohibits the creation of more than 50 new parking spaces by anyone in various areas of California unless it can be demonstrated that the new spaces will not interfere with the creation or maintenance of any air quality standard for 10 years. Since future residential and industrial patterns are impossible to predict with such precision, this regulation will effectively ban the construction of all new apartments, industrial plants, universities, hospitals, and shopping centers. The only possible exception would be for a "company town" or military base kind of arrangement in which all the workers live adjacent to their place of work and can commute either by foot or by company-supplied mass transit; obviously, the number of cases in which this arrangement will be possible or desirable is so small as to be negligible. So EPA is, in short, mandating complete stagnation. In California a facility without a parking lot is a facility that cannot be used.

Ironically, many of these new facilities might well reduce automobile travel, by obviating longer trips people in the area would otherwise have to make to a more distant facility.

Gentlemen, I suggest that in this case EPA has taken a good cause and hardened it to the point of counterproductive dogma. Consider what will happen if we reduce the number of parking spaces. Consider what happens in downtown areas we have known where parking is presently insufficient:

Traffic is not reduced, nor is air pollution. Both are increased. The streets become choked with automobiles and drivers trying to get at the few parking spaces remaining. Average speeds drop to less than a walking pace, resulting in the maximum conceivable level of polluting exhaust emission. Tempers get shorter and horn blows get longer, adding noise pollution to the exhaust pollution—this is New York, a living city where a parking place costs as much as a hotel room.

If EPA deliberately creates situations like this in our major cities, imagine what the American people will think as they circle the block again and again, weaving between the double parkers and triple parkers, burning precious rationed fuel while they wait for a space to open up. As they burn with resentment of the dozens of invitingly empty but unusable roped-off parking spaces, their thoughts regarding the entire environmental movement will be unprintable. EPA will be discredited, and so will we in the Congress if we allow this to happen.

It is true we could do without the parking spaces if we had adequate mass transit, and that reduction of parking provides an incentive to improve our mass transit.

It is also true that our national priorities are distorted, and that we should have spent far more than we have on mass transit. It is true that there is something wrong with priorities that require us to buy fuel for our energy policy director's gas-guzzling limousine, that require us to spend $3 billion for an aircraft carrier we do not

need and three-quarters of a trillion dollars for a war we did not need, but which regard necessary mass transit expenditures as inflationary and budget busting.

I say let us spend what we need for mass transit, but let us not make life intolerable for the average American in the meantime. The energy crunch is going to do more than enough to reduce automobile traffic and inconvenience all of us; let us not add to the disaster by allowing some well-meaning EPA bureaucrats to run hog wild.

So let us get EPA out of the parking business, completely and permanently. Let us not lose sight of our objective, which is not clean air per se but maximum quality of life. Let us not forget that, while clean air contributes to the quality of life beyond question, so does adequate and convenient transportation. As we would not return to the smog-choked days of before the birth of EPA, let us also not return to the unpolluted days of the stone age. They were not too nice, either.

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

Mr. LEGGETT. I yield to the gentleman from Florida.

Mr. ROGERS. This section does not provide for money to apply to the parking problem. It is simply for research on different matters. So I do not think it is germane; but nevertheless, I understand the gentleman's concern. Our committee, too, is concerned and I believe it should be appropriately raised in the legislative committee.

Let me just mention this, if I may——

Mr. LEGGETT. Is it possible to pass such legislation before this regulation becomes final next month in California?

Mr. ROGERS. Yes; it is possible if the legislative committee acts.

Mr. LEGGETT. Is it probable?

Mr. ROGERS. It is quite possible. We are holding hearings Monday and Tuesday of this coming week to try to see about some of these problems, the energy problem and all, and I hope we can get to some decision.

I share the gentleman's concern on the issue.

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

Mr. Chairman, I want to commend the gentleman from California (Mr. LEGGETT) for a very timely and useful and, very sensible statement. Even though, as the gentleman from Florida suggests, it may not affect this particular bill, at least it is a message to one of the legislative committees of this Congress that it ought to get busy on a very important problem that affects so disastrously so many areas in the United States.

Mr. Chairman, I support the gentleman's amendment.

Mr. BURGENER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the motion of my colleague from California (Mr. LEGGETT) as a means of saying, loud and clear, that the regulations which have been promulgated by the Environmental Protection Agency for transportation control in the area I represent would be nothing less than an economic and social disaster.

For over 20 years local governments have been passing ordinances requiring offstreet parking in projects within their jurisdiction. There were valid, public interest reasons for these requirements; relief of congestion from busy streets, convenience for nearby homeowners, and proper management of our land resources.

During these 20 years industry has been required to foot the bill for these facilities, and properly so. Those who would build a plant were required to build a parking lot. Those who would build a shopping center were required to build a parking lot. This was, and, I suspect, still is good policy.

Now, the Environmental Protection Agency, without any visable serious consideration of the economic impact of their decision, has decreed that we must perform a retroactive about-face. Not only are we to discourage the construction of new parking facilities, we are to penalize those who complied with legal requirements to build these facilities by placing a surcharge or tax on their property.

The committee report on this measure, on page 7, accuses the EPA of "dragging its feet on advising the public of the economic impact of many of its decisions." Nothing could be clearer than the fact that the parking regulations issued by the EPA constitute a very real threat to the economic well-being of literally millions of residents of southern California.

The passage of this motion is but one way for the Congress to say to the EPA "you have gone too far, you have exceeded the mandate we gave you in passing the Clean Air Act, you must reevaluate your actions." I urge the Members to vote "aye."

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

Mr. Chairman, I cannot speak for the committee, but I have no objection to this amendment. I agree that the funds in this particular section are not for this purpose. In this particular section, the funds are for the purpose of additional research to obtain answers that the EPA should have had long before they issued lots of orders which they have issued.

Mr. Chairman, I might also say that in the report and in the action of the Congress, we directed that hereafter the agency, EPA, give us the benefit of findings by themselves before taking such type action. While the money here is not for that purpose, I think it is well that this amendment be adopted here so as to serve notice to EPA to get back to its primary purpose, and if present law gives them any claimed authority such as they are attempting to enforce in the way of parking tax as that the Administration be smart enough not to attempt such action.

The public will not put up with such actions, the economy will be unable to stand such action, and in the long run the Environmental Protection Agency will lose for us much of the progress we have made in restoring the environment.

We expect to take appropriate action on the regular bill to prohibit such actions when the regular appropriation for this agency comes up early next year.

Mr. Chairman, at this point I would like to advise the House of the actions taken by our committee with respect to the supplemental funds for the Foreign Agricultural Service and the Environmental Protection Agency.

Mr. Chairman, I read from the report regarding the Foreign Agricultural Service:

The Committee recommends an appropriation of $1,000,000, a reduction of $628,000 below the budget estimate, to offset the impact on overseas programs in fiscal year 1974 of the 1973 devaluation of the dollar.

Of the total amount provided, $285,000 is for Agricultural Attaches and $715,000 is for Market Development.

Notwithstanding the current situation regarding agricultural exports, the committee feels that in view of the outlook for a big crop this year and the need under normal conditions to export approximately 30 percent for a prosperous U.S. agriculture which in turn benefits the overall economy, a vigorous market development program should be continued in foreign countries so that when the world agricultural production situation changes, the United States will be in a competitive position to market its production.

The committee is of the opinion, however, that the reduction of $628,000 below the budget estimate can be absorbed without impairing the efficiency of the market development program if additional administrative economies are instituted.

Mr. Chairman, I read from the report regarding the Environmental Protection Agency:

The committee recommends an appropriation of $10,500,000 for additional research and development activities of the Environmental Protection Agency. These additional funds will be used to accelerate the development of technology to control the emission of air pollutants from stationary and mobile sources and to accelerate research on the health and environmental impacts of air pollution caused by the use of fossil fuels. The expanded research in these activities is to provide immediate knowledge and technology for more nearly controlling air pollution from the use and consumption of coal and other fuels, seemingly now necessary.

The agency had requested that these funds be "available until expended," however, because of the emergency nature of this problem, the Committee recommends that these funds be obligated this fiscal year. If they cannot be used effectively, the subject can be dealt with in the regular bill.

Testimony before the Committee confirms that many of the agency's earlier decisions and actions were made without adequate consideration of either their environmental or economic impact. Since the results of some of these earlier decisions and actions seem to be highly questionable, the committee directs that the agency restudy them and report their findings to the appropriate committees of Congress.

The Committee is convinced that the Agency has been dragging its feet on advising the public of the economic impact of many of its decisions. Had the public been informed in advance of the potential economic consequences of many EPA's rules and regulations, many of these actions would have been considered unwise and too costly in relation to the benefits to be received. The Committee feels it is absolutely essential that the American people be fully informed of the

costs and likely effect of environmental efforts so that they can weigh the cost versus the benefits.

Mr. CASEY of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. CASEY of Texas. Mr. Chairman, my subcommittee chairman will recall that we went into this very thoroughly, because I was quite exercised about the proposed regulations in Texas, and I would refresh the memory of some of my colleagues that we were hit first in Texas, and when I exploded a little on the floor of the House about it, some of you were not too concerned because it had not hit you yet.

However, EPA is hitting everyone now. I think we had better unite, because I think that Agency is assuming authority it has no function to assume and no legal right to assume.

Mr. WHITTEN. Mr. Chairman, I can add to that and say that unless we in Congress attempt to help hold this Agency back, it will have abolished itself, judging by public reaction to recent orders and announcements by the Agency.

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

Mr. WHITTEN. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I would agree that there is no reason not to adopt this amendment since the funds do not go to it anyhow and it is an expression of our concern, but I do not think it has any legislative effect.

Therefore, I have no objection to the amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment by the gentleman from California (Mr. LEGGETT). I would like to remind some of my colleagues, as others have here today and in the past that this agency, the EPA, is attempting to assume substantial powers unto itself. It is going to require, as the gentlemen of this committee, and those of the Committee on Interstate and Foreign Commerce have said that the Congress is going to have to watch EPA's actions much more closely, because these regulators believe they have almost total power to do as they see fit. Although we are all genuinely concerned about improving the environment in our Nation, I think we are finally learning that when we legislate so broadly, an overzealous agency just assumes unto itself incredible dictatorial powers, always in the name of "the public good." Some of the regulators in the EPA have assumed the attitude that most Americans are children when it comes to protecting the environment, and only "they" and Ralph Nader have a corner on intelligence in this field.

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

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

Mr. MAHON. Mr. Chairman, it seems very evident to me that there is considerable unanimity among the Members of the House in regard to this amendment. Therefore, I suggest we accept the amendment and move on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in general support of H.R. 11576.

On page 14 of House report No. 93–663, the committee states that the bill includes $6,940,000 for the Forest Service and together with 333 additional positions "to manage the 1 billion board feet increase in the timber sales program announced by the Cost of Living Council on March 26, 1973."

This expanded timber sales program is a major Federal action significantly affecting the quality of the human environment. It is also of dubious value in light of our current energy shortage which is bound to have an adverse effect on the fuel requirements of the homebuilding industry, making the need for this sale less and less appropriate. The Forest Service has failed, thus far, to prepare an impact statement concerning this sales program as required by section 102(2)(C) of NEPA and initiated the program on July 1, 1973, without an impact statement.

I note that the Natural Resources Defense Council has filed suit against Secretary Butz—Civil Action No. 1358–73—seeking a summary judgment declaring defendants to be in violation of NEPA and enjoining them from proceeding further with the expanded timber sales program. The court has not, as yet ruled on this matter.

I take this opportunity to note my understanding that, consistent with current judicial holdings, the enactment of this bill will have no effect on the Forest Service's failure to comply with NEPA. The claim of illegality remains to be resolved by the court. If there is a violation of NEPA as many of us claim, the court will supply the remedy.

Mr. Chairman, I note the following comments on page 7 of the House Report, supra:

> Testimony before the Committee confirms that many of the agency's earlier decisions and actions were made without adequate consideration of either their environmental or economic impact. Since the results of some of these earlier decisions and actions seem to be highly questionable, the Committee directs that the agency restudy them and report their findings to the appropriate committees of Congress.
>
> The Committee is convinced that the Agency has been dragging its feet on advising the public of the economic impact of many of its decisions. Had the public been informed in advance of the potential economic consequences of many of EPA's rules and regulations, many of these actions would have been considered unwise and too costly in relation to the benefits to be received. The Committee feels it is absolutely essential that the American people be fully informed of the costs and likely effect of environmental efforts so that they can weigh the cost versus the benefits.

Mr. Chairman, for nearly 2 years now the committee, in reporting out an appropriation bill affecting EPA, has made similar statements and issued similar directives. On previous occasions such directives were included in the bill itself. On such occasions the directives were deleted from the bill in the Committee of the Whole because they were in violation of the rules of the House. When this last occurred in June of this year, I and many of my colleagues had hoped that the matter had ended. But obviously it has not.

I share the committee's view that EPA has not given adequate consideration to the effects of many of its actions, such as its decisions last January and February to arbitrarily exempt thousands of feedlots from the permit requirements of section 402 of the Federal Water Pollution Control Act, as amended, on grounds of administrative convenience, rather than on pollution control grounds. This decision is now under intensive investigation by the House Committee on Government Operations, Subcommittee on Conservation and Natural Resources, as noted in the news media today. But I find the committee's directive to be too vague and sweeping and clearly inconsistent with present requirements of congressional acts.

The committee is right in chastising EPA for its failure to consider adequately the environmental and economic impacts of its actions. The National Environmental Policy Act of 1969 requires that Federal agencies prepare environmental impact statements for major Federal actions having a significant effect on the quality of the human environment. If these statements are properly prepared, they will fully cover the economic impacts as well. Except for its permit program, EPA is required by NEPA to prepare such statements. But EPA has not done so. Indeed, section 501 of the FWPC Act, as amended, adds further emphasis to NEPA by specifically directing that EPA prepare such statements in connection with its waste treatment grants. But EPA has once again failed to comply with the law and, unfortunately, left itself wide open to law suits in connection with many of these grants.

Last June the General Accounting Office ruled that EPA must comply with NEPA. On September 27, 1973, I transmitted that ruling to EPA and asked EPA when it would begin to comply with the law. I have, as yet, received no response.

The FWPC Act also provides that, in many actions, EPA must consider economic factors. They have in some cases done so, but in others, EPA has not. Also some of their analyses are not adequate.

I appreciate the committee's comments and reminder that EPA is not complying with the law. But, as I have noted, Congress has provided a means by which the committee's quite proper objectives can and should be achieved. Let us turn our

attention toward EPA complying with these laws rather than adding new directives, not considered by the entire Congress, which are vague and of questionable value.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TERRITORIAL AFFAIRS

TRUST TERRITORY OF THE PACIFIC ISLANDS

For an additional amount for "Trust Territory of the Pacific Islands", $8,410,000, to remain available until expended.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I raise a point of order to the language at page 3, line 4, beginning with the word "to," and reading as follows: "to remain available until expended."

I cite as authority for this, Mr. Chairman, rule XXI, clause 2, constituting legislation in an appropriation bill and exceeding the authority of the Committee on Appropriations, essentially appropriating for a period beyond 1 year.

The CHAIRMAN. Does the gentlewoman from Washington (Mrs. HANSEN) wish to be heard on the point of order.

Mrs. HANSEN of Washington. Yes, I do, Mr. Chairman, if the gentleman will yield.

Mr. DINGELL. I yield to my good friend, the gentlewoman from Washington.

Mrs. HANSEN of Washington. Mr. Chairman, may I say that the authority is provided by the act of June 30, 1954, as amended by Public Law 93–11, passed September 21, 1973.

The CHAIRMAN. Does the gentleman from Michigan wish to be heard further on his point of order?

Mr. DINGELL. Mr. Chairman, I have no response to the statement made by the gentlewoman from Washington.

Mr. MAHON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Texas (Mr. MAHON) may be heard.

Mr. MAHON. Mr. Chairman, the basic law states that the Congress is authorized to make the funds available as expended. This authorization is amply fortified in law. The point of order is not valid, in the judgment of the Committee on Appropriations.

The CHAIRMAN. Does the gentlewoman from Washington (Mrs. HANSEN) or the gentleman from Texas (Mr. MAHON) have a copy of the authorization referred to that could be sent to the desk?

Mr. MAHON. Mr. Chairman, we have the citiation here. It is 68 Stat., 330.

The CHAIRMAN. The Chair has sent for a copy of the law, but if either of the Members has a copy, it might expedite this matter.

Mrs. HANSEN of Washington. Yes, Mr. Chairman. I shall send this copy to the desk.

The CHAIRMAN (Mr. O'HARA). The Chair is prepared to rule.

The Chair has examined the statute in question and finds that it does indeed authorize appropriations providing funds for the trust territories and specifies that they may remain available until expended.

The Chair, therefore, overrules the point of order.

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

Mr. Chairman, I should like to inquire about the $1.5 million in this bill to buy paper for the Internal Revenue Service, which represents a 50-percent increase in funds already appropriated for this purpose.

How is this justified?

Mr. STEED. Will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, as the gentleman knows, in connection with the preparation of all the tax returns and all the material that goes along with it, they require an enormous amount of paper.

What they ran into this year was two increases in cost: One, the paper mills were not making the lower grade paper they had used in years heretofore, and the only way they could get any paper at all was to go to a higher quality paper, which would cost more; plus the fact that all paper costs have gone up.

Mr. GROSS. Has the average increase in the cost of paper gone up 50 percent and above, as in this case?

Mr. STEED. They had the higher quality paper, plus the natural inflated cost of paper, yes.

Mr. GROSS. It is a better quality paper?

Mr. STEED. Oh, yes. They had to get a better quality, because there was not any of the other kind available.

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

Now, about this $25,000 increase, from $75,000 to $100,000, in the bill for Presidential travel funds, is this due to the increased cost of jet fuel, to the devaluation of the dollar, or inflation, or what?

Mr. STEED. Well, all those matters do enter into the increased cost of all travel as well as Presidential travel. We have always provided what the White House said it would need for this purpose. We have no way of knowing, other than what they tell us, how many secretaries will be required to go with the President and so on.

Mr. GROSS. Oh, this involves the entourage, also?

Mr. STEED. Yes. We have just taken their word for it that this is what they estimate their needs will be.

Mr. GROSS. I wondered whether the cost of jet fuel had gone up as much as the gasoline for helicopters or what.

Mr. STEED. The increased cost for fuel would not account for all of it, although it would make some impression on it. I do not think the amount that they will be able to travel in the future will be at the same rate as they have.

Mr. GROSS. Well, $25,000 added to $75,000 is a pretty good percentage increase, I would say to the gentleman.

Mr. STEED. Well, it is a lot of travel.

Mr. GROSS. Yes, and that kind of an increase in travel funds does not come down the line every day. I thank my friend from Oklahoma.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do so just to make inquiry of the gentleman from Oklahoma (Mr. STEED).

In the Bureau of Customs I noticed you have, as you had indicated when the regular bill was passed, added some additional permanent positions for the Customs Bureau because of the need for the Customs Bureau and the Immigration Service to be able to function appropriately.

I brought out at that time the need for service at the airport and port in our Palm Beach area in Florida where they simply have not been serviced during the regular hours of work. I assume hope that this was taken into consideration in providing some of these spots.

Mr. STEED. Will the gentleman yield?

Mr. ROGERS. I yield to the gentleman.

Mr. STEED. The gentleman is correct. His situation along with about 15 others was largely responsible for the subcommittee going over the budget to the extent of some $4.7 million and providing something like 330-plus new employees.

I might say to the gentleman that even if there is an increase, it still would be a very minimal addition to their manpower and they will have a very tight schedule even with it.

Mr. ROGERS. I thank the gentleman, and I am in agreement with his statement.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the Subcommittees on Transportation and Labor-Health, Education, and Welfare, I wish to express my support of the provisions of the supplemental appropriations bill dealing with items funded within these two programs. My colleagues and I on those panels engaged in much discussion concerning the several aspects of the bill and I want to commend them for the tone of compromise and open-mindedness that generally prevailed.

We have responsibly reduced expenditures where they appeared excessive and have supported those which were more than adequately justified. In the Transportation Subcommittee, while reducing the request by over $4 million, we have still provided over $30 million for ongoing programs within the National Highway Traffic Safety Administration. The largest cut here was in the fleet test of crash recorders in 100,000 automobiles. While commending the Administration for their on-going efforts to try to alleviate the carnage on our highways, it was sincerely felt that budgetary restraints precluded consideration of this new program, which has a projected total cost of over $15 million. Also, many of us were left with the feeling that the installation of mandatory seatbelt-ignition interlock systems in the new cars could well be the biggest nuisance ever perpetrated on this country, plus possibly being unconstitutional. Left intact are funds for such efforts as the experi-

mental safety vehicle program, which earmarks funds to improve the structural integrity of lighter vehicles. In the face of our present energy crisis, with the resultant disenchantment of the American public with the larger gas-guzzling auto, this action by the committee seems to be most appropriate.

Within the Labor-HEW Subcommittee I will only mention the funding approved for these causes: the full amount of an additional $2.8 million was approved for the Department of Labor's Employment Standards Administration, due to that agency's increased workload resulting from new commitments placed upon it under new legislation recently enacted by Congress. Backlogs of casework must be broken in the areas of improving and protecting wages, elimination of discrimination in employment, and workmen's compensation.

With regard to health care, the committee heard from the Social and Rehabilitation Service which requested a figure of over $700 million for providing direct rehabilitation services to as many disabled persons as possible. We recommend an increase of over $7 million for rehabilitation training to off-set plans for phasing out that section of the budget. While the need for such trained personnel remains high, the justification for the administration's phase-out seemed particularly inappropriate.

With the exception of the "development programs" section of the Action budget, the committee approved the full amount of the request. Worthwhile programs such as VISTA, service-learning, and the national older American Volunteers remain intact and viable for next year. "Developmental programs" were reduced in half from the $6 million requested. While the $3 million remaining represents an increase of $1,650,000 over the amount provided for in the fiscal year 1973 appropriation, I can fully appreciate the agency's concern in this area for providing a viable service for exploring the potential of part-time volunteers in meeting the problems of our communities, while keeping intact the mainstay of the ACTION program—the long-term, full-time volunteer. I, myself, endorse an increase of funds for this purpose, for it reflects the only area within the ACTION budget where the director can exercise the flexibility needed for meeting the challenges of the 1970's.

Lastly, I would like to take one moment to lend my full support to the measure reported out by our companion Subcommittee on Interior. My special thanks must go to the distinguished chairwoman of that panel, my good friend from Washington, for her favorable consideration and expeditious handling of my personal request to have the petroleum allocation program in the Office of Oil and Gas fully funded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF MINES

MINES AND MINERALS

For an additional amount for "Mines and minerals", $4,170,000.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, H.R. 11576—the supplemental appropriation bill for fiscal year 1974—contains $1.8 million for the Interior Department's Mining Enforcement and Safety Administration. According to the committee's report (H. Rept. 93–663) of November 26, 1973, this sum will be used to hire additional assessment officials and coal mine inspectors under the Federal Coal Mine Health and Safety Act of 1969. I commend the committee for including this appropriation in this bill.

I recently testified before the Government Operations Committee's Conservation and Natural Resources Subcommittee on the Interior Department's administration of the civil penalty assessment program. At those hearings, I testified that the assessment program was a shambles. The Interior Department recommended that the civil penalties provisions of the 1969 act be abolished. The Department contends that the fact that it has issued more than 76,000 notices of violation under the act in 1972, and is issuing an even greater volume of violation notices in 1973, and that there has not been a "noticeable decrease in disabling injuries," indicates that the fatalities and injuries "are not always connected with violations of mandatory safety standards." Thus, the Department concludes we should do away with the mandatory penalties.

I find this argument quite absurd and incredible. It completely ignores the fact that, while thousands of notices of violations have been issued by departmental inspectors and thousands of assessments have been initially levied for these violations, the Interior Department has not collected a significant portion of these assessments. This is because the penalty assessment program administered by the Department of the Interior has been badly mishandled. But Interior, rather than trying to correct and improve its administration of the program, has asked Congress to weaken it and give its administrators an opportunity to render it toothless.

I find this shocking and a further indication that this administration is more interested in the production side of the coal-mining industry than in the protection of the individual miner.

This bill today will provide additional people to improve the assessment program at the MESA level. But the addition of this personnel, while helpful, will not resolve the problem. The Interior Department must do more. It must change its procedures. It must hire additional people at the Office of Hearings and Appeals. And most importantly, it must demonstrate a real concern for the miners of this Nation than for the production of coal.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FOREST SERVICE

FOREST PROTECTION AND UTILIZATION

For an additional amount for "Forest protection and utilization", for "Forest land management", $8,590,000.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take this opportunity to compliment the Appropriations Committee on adding in this particular title an additional $1.4 million for the purchase of 10 firefighting retardant units that can be put in Air Force C–130 planes, and made available to the Forestry Service on a standby basis. This equipment is especially important in the Western States where we have very critical fire seasons in the summer and fall. Many interested citizens and Congressmen from the West have been asking for the inclusion of this additional appropiation so that we could protect against forest fires on a quick-strike basis.

I know that many members of the Appropriations Committee, including Mr. WYATT, came to Clifornia to see how this equipment would be used. The gentlewoman from Washington (Mrs. HANSEN) was very generous in making sure that the Agricultural Department and the Forestry Department, in particular, was encouraged to make sure that this new equipment would be available in the fire season. This modular airborne firefighting system was fully tested both by the Forestry Service and by the Air Force in actual fires this past fall.

So, Mr. Chairman, many of us wish to express our appreciation for this assistance.

The CHAIRMAN. The Clerk will read.

HEALTH SERVICES PLANNING AND DEVELOPMENT

For an additional amount for "Health services planning and development", for carrying out, to the extent not otherwise provided, section 304 and title IX of the Public Health Service Act, $9,500,000, to remain available until expended.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a question to the distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. FLOOD) in regard to the bill that passed the Congress, the emergency medical services bill, which has been signed by the President.

It is my understanding that there may be added to the Senate supplemental bill additional funds for this service, which has now become law. I would like to ask the subcommittee chairman if he and the subcommittee would look with sympathy upon such an addition when they go to conference?

Mr. FLOOD. Mr. Chairman, if the gentleman will yield——

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. With a great deal of sympathy.

Mr. ROGERS. I thank the gentleman so much, and I am grateful.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SOCIAL AND REHABILITATION SERVICE

SOCIAL AND REHABILITATION SERVICES

For an additional amount for "Social and rehabilitation services", for carrying out, except as otherwise provided, the Rehabilitation Act of 1973 (Public Law 93–112), $707,538,000 of which $609,000,000 shall be for grants under section 110(a), $6,870,000 shall be for grants under section 110(b) and $30,000,000 shall be for grants under parts C and D of said Act.

AMENDMENT OFFERED BY MR. GONZALEZ

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

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 6, line 1, strike out "$707,538,000" and insert in lieu thereof "$741,668,000" and strike out "$609,000,000" and insert in lieu thereof "$850,000,000", and on lines 2 and 3 strike out "$6,870,000 shall be for grants under section 110(b),".

Mr. GONZALEZ. Mr. Chairman, I am proposing an amendment to the supplemental appropriations bill that would bring the amount for State grant programs for vocational rehabilitation up to the level in the authorization bill that was signed into law in September of this year.

My amendment would provide $650 million for State programs as opposed to the $615 million in this appropriations bill. In this bill the total of $615 million is written as $609 million for grants under section 110(a), and $6,870,000 for grants under section 110(b). The latter section is to provide for additional payments to States in the event that they would not receive as much as they received in 1973. This section, however, is struck in my amendment since all States would receive more than this in 1973 if the funding is at the authorization level of $650 million.

I strongly believe that unless we increase this amount many of our States will not be able to effectively carry out the mandate and objectives of the Vocational Rehabilitation Act of 1973. This opinion has been expressed to me by directors of a number of agencies in Texas, and I would venture to say that many of my colleagues have had similar letters in the past few months.

As everyone in this body knows, we have been trying for over a year to have a vocational rehabilitation bill accepted by the administration. Last fall the President vetoed the vocational rehabilitation bill that called for $3.5 billion, and this spring he vetoed the bill asking for $2.6 billion. Finally, in September of this year President Nixon signed H.R. 8070, authorizing appropriations of $1.54 billion for programs that would extend for 2 years. The sum of $650 million for fiscal 1974, and $680 million for fiscal 1975. The President agreed with the level of funding in the authorization bill. In his speech during the signing of the vocational rehabilitation authorization bill he expressed his feelings that the amount provided for would not in any way harm his attempts to obtain a noninflationary, balanced budget.

Let us look for a moment at the State agencies. For quite sometime now they have been operating under funds provided by a continuing resolution, which, as we all recognize, keeps them in a very unpredictable position. Finally in September of this year the authorization bill was passed which gives them $650 million to operate their programs in fiscal 1974. These agencies then felt that they had a definite amount and that they could finally do the necessary planning required for effective administration of their programs. They needed this total amount of $650 million for a number of reasons. One is that they will not be able to provide the same level of service to eligible citizens as they could previously, since the cost of services has increased considerably in recent times. This is a fact that we can all attest to.

But another even more important reason for funding at the original authorization level is that in the Rehabilitation Act of 1973 the emphasis is on programs working with the severely disabled. That means, for example, the Commission for the Blind will be expected to intensify services to the most severely disabled individuals they encounter—persons who may, in addition to being limited by serious visual disability, also have a hearing impairment, mental retardation, mental illness, orthopedic complications, or other secondary handicaps. We all would agree that such direction is highly appropriate, but the cost of reaching out to serve the more difficult cases necessarily is high, and the authorization level was set to meet this goal.

Another point to take into consideration is that State allotments are based on authorization levels and not on appropriations. That is, if the States come up with their 20 percent the Federal Government is to come up with the 80 percent. Last fiscal year 43 States came up with their share, but the Federal Government could not provide the matching money, that is, its 80 percent. This year we will again have the same problem if we do not fund the State programs on the authorization level. The Federal Government will not be able to meet its obligation.

I know that everyone here realizes the need for funds to assist in vocational rehabilitation. These funds are needed to prepare those people with handicaps for meaningful jobs in order to allow them to attain some degree of self-sufficiency and to develop a pride in themselves. I hope that you will show your support for our courageous fellow citizens by supporting my amendment.

I hope that the Members will join me in giving this modicum increase in this bill in order for us to keep faith with the States that in good faith—and last year there were 43; this year there will be more—have anted up their amount and whose projections were made on the basis of the authorization level and not the appropriation level.

For instance in Texas, the State legislature which meets once every 2 years appropriated $11.3 million as its share. However, since the Federal Government then only came up with $37.6 million, Texas could not spend its full 20 percent but only $9.4 million of its $11.3 million share. This is typical of the experience in more than 43 States.

Mr. BRADEMAS. Mr. Chairman, I rise in support of the amendment to H.R. 11576, offered by the gentleman from Texas (Mr. GONZALEZ), whom I congratulate for the leadership he has shown with respect to the rehabilitation of handicapped persons, and, for his diligence today in attempting to make good, in this appropriation measure, on the promises to the handicapped contained in the Rehabilitation Act of 1973.

ALLOTMENT FORMULA

Mr. Chairman, what the gentleman from Texas is seeking by his amendment to do is appropriate in the supplemental bill before us today $650 million, the full amount authorized for the basic State program to provide rehabilitation services to handicapped Americans, rather than the $615,870,000 contained in the bill.

I should tell my colleagues, Mr. Chairman, that as House sponsor of the Rehabilitation Act of 1973, I know that the Committee on Education and Labor in the House, as well as the Labor and Public Welfare Committee in the Senate, spent considerable time discussing how to allot moneys to the States to provide rehabilitation services. And we concluded, Mr. Chairman, that crucial to the great success of the Federal-State rehabilitation program is its unique allotment procedure, which allots money to the States based on the amounts authorized to be appropriated.

The significance of this feature, Mr. Chairman, is that State rehabilitation directors, and State governments generally, can anticipate the funds they will receive from the Federal Government, and can, therefore, plan their programs accordingly and effectively.

STATES APPROPRIATING THEIR SHARE

However, Mr. Chairman, if we accept the recommendations of the Administration with respect to funding levels for the basic State program, namely $615 million, we will retreat from the promise contained in the Rehabilitation Act of 1973 that the Federal Government would provide $650 million for this section of the law.

Evidence, Mr. Chairman, of the consequences of such a retreat can be found in the history of previous years.

For in 1972, Mr. Chairman, 25 States appropriated more funds for rehabilitation than there were Federal matching dollars to meet the matching requirement.

In 1973, 43 States appropriated more rehabilitation funds than the Federal Government, I am distressed to say, could match.

Mr. Chairman, the rehabilitation program has experienced considerable difficulty in the last several years as a consequence of repeated vetos of the Labor-HEW appropriations measures which funded the legislation, as well as two vetos of the authorizing legislation.

Let us today, Mr. Chairman, not add

to those difficulties by appropriating less funds for the basic State program than States have a legitimate right to expect. Let us agree to appropriate the funds authorized by the law, so that rehabilitation programs for millions of handicapped Americans can continue and grow as needed.

ADMINISTRATION SUPPORT

Mr. Chairman, evidence that the amounts proposed by the gentleman from Texas (Mr. GONZALEZ) are not excessive can be found in the statements of both President Nixon and Secretary of Health, Education, and Welfare, Caspar Weinberger, during the final days of enactment of H.R. 8070, the Rehabilitation Act of 1973.

Said Secretary Weinberger when the conference report on the Rehabilitation Act appeared:

> Earlier bills were vetoed because they set unrealistically high spending levels . . . H.R. 8070 has remedied these defects. It authorizes a generous level of funding and a solid program. It deserves the support of every Member of Congress.

And, said the President on signing the law:

> The process of hammering out a compromise on this matter was long and difficult. It is heartening, however, that neither the Congress nor the Administration allowed the smoke of legislative skirmishes to obscure the good we have shared from the first—that of continuing and improving a program which has long been one of the most humanitarian and effective of all Federal grant activities.

Continued the President:

> At the same time the new law wisely avoids certain pitfalls which led me to reject earlier versions. Its funding levels, while adequate, do not abrogate the fiscal disciplines essential for a non-inflationary balanced budget.

Mr. Chairman, in light of these administration statements of support for the authorization levels as well as of the great need to expand programs for the handicapped, I urge my colleagues to support the amendment offered by the gentleman from Texas.

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

Mr. Chairman, when the committee is confronted with an amendment of this sort, may I suggest that the Members take a look at who is chairman of this subcommittee dealing with the subject of appropriations for rehabilitation. Take a look at the list of members on the subcommittee on both sides. Perhaps there is a better or more effective advocate, but certainly there are no more sincere advocates of this program than the gentleman from Pennsylvania and his subcommittee. I cannot believe you will find one.

Now, this bill has $615,870,000 for the basic grants for vocational rehabilitation. This is $26,870,000 more than last year's appropriation.

Part of this increase is to cover specific changes made in the Rehabilitation Act. The minimum State grant was raised from $1 million to $2 million; also the act provides a guarantee that each State will receive at least what it received in 1973. Now, what could be fairer than that?

The committee knows about the $650 million authorized. We also know that the States have to come up with matching funds, if they want their full amount of the Federal share.

Some States are not able to come with the necessary matching funds. Where this is the case, it would not be necessary to appropriate the full authorization. Do not Members know that we know this?

Now, in the hearings we spent a great deal of time on that specific subject for just this purpose. We thought there might be a problem in the amounts for basic grants under the new law.

The HEW witnesses saw no problem and they planned to compute and make the allotments on the basis of the authorization and the amount that was requested. We clearly had the impression that the amount requested is all that is required to make allotments on the basis of the authorized amount.

Now, let me say, Mr. Chairman, and let me tell the members of the committee and my friends, we know whereof we speak, believe me. If later estimates from the States at any time show that matching funds are available so that the full amount of the authorization can be used, we expect that the administration will request a supplemental appropriation later in the year.

We are strong supporters of the rehabilitative program. We have nursed it along from the very beginning. Under all the circumstances this kind of amendment, at this time, should be defeated.

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

Mr. Chairman, I want to concur in the remarks of the chairman of the subcommittee (Mr. FLOOD). This amount that we have in the bill is the amount that was requested in the budget. It is an increase of almost $27 million over last year's appropriation. Part of this increase is to cover changes made by the recent Rehabilitation Act, which raised the minimum grant to each State from $1 million to $2 million and also provided a guarantee that each State will receive at least what it received in fiscal year 1973.

During the course of the hearings, I specifically asked the question that under the basic State grant program each State will receive a minimum of $2 million and no State will receive less than it did in 1973. The answer of Mr. Dwight, the administrator of the program, was that under the amount requested in the budget, that is correct.

Some States are not able to come up with the matching funds as of now, so it would not be necessary to appropriate full funding, as we call it.

I would remind Members that if we fully funded every request, we would be much more bankrupt than the Government is now. The committee covered this specific subject in its recent hearings with HEW. The witnesses said there was no problem and that they planned to compute allotments on the basis authorized.

We clearly had the impression that the amount requested, the amount allowed in the bill is all that is required to make allotments on the basis of the $650 million authorized in the authorizing bill.

I would emphasize further that if later estimates from the States of matching funds are available and the full amount of authorization can be used, the committee would expect a supplemental budget request. We have these supplementals from time to time. The bill we are now considering is a supplemental. I believe that the amount in the bill provides a reasonable increase in funding for the vocational rehabilitation program. Five months of this fiscal year have gone by. If more funding is needed a supplemental request would be in order.

I would emphasize, if later estimates from the States showing the matching funds are available, a supplemental would surely be in order and our committee would consider it.

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

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

Mr. GONZALEZ. Mr. Chairman, it is true that the gentleman expects the States to come in with their requests later, but the gentleman surely is aware of the fact that for 1972, 43 States, indeed, came in with their shares, where the Federal Government could not meet its 80 percent of their share. This is 43 States, including my own State of Texas. I gave a specific example where that State's legislature came in with its 20 percent based on authorization as our law dictates.

Forty-three States; they are not worried about the fact that this funding will be matched more, they are worried that they have not been able to get that funding as promised by the Federal Government when they have in good faith appropriated their money.

Mr. SHRIVER. Mr. Chairman, the witnesses who appeared before us from the department are interested, of course, just as we are, in this program. They feel sufficient funding has been requested, and certainly a supplemental will be in order if it is not. Our committee has been a strong supporter of programs for the handicapped. We believe that the amount in the bill provides a reasonable increase in funding for the vocational rehabilitation program.

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

Mr. SHRIVER. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, the gentleman will recall that I asked that question—remember how I asked it—one, two, three.

"I am asking you," I said, "three times so that there will be no mistake."

Mr. SHRIVER. Exactly.

Mr. FLOOD. So I got exactly the same answer three times in a row, just as the gentleman has stated.

Mr. SHRIVER. Precisely.

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

Mr. Chairman, I simply want to say that I concur wholeheartedly in the views which have been expressed by the gentleman from Pennsylvania (Mr. FLOOD) and the gentleman from Kansas (Mr. SHRIVER).

These funds are not required as of now. If they are required later, they will be submitted with a budget estimate.

This amendment would increase the bill by more than $40 million. It does not make any sense to me to add this additional money at this time. I do hope we can vote down this amendment.

Mr. BRADEMAS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Ninety-two Members are present, not a quorum. The call will be taken by electronic device.

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

[Roll No. 611]

Alexander	Flowers	Nelsen
Anderson, Calif.	Fraser	Nichols
Anderson, Ill.	Fulton	O'Neill
Arends	Fuqua	Owens
Baker	Gibbons	Parris
Beard	Goldwater	Pepper
Bell	Gray	Pettis
Bevill	Griffiths	Peyser
Bolling	Gubser	Poage
Brown, Calif.	Gunter	Podell
Buchanan	Hanley	Quillen
Burke, Calif.	Harsha	Rangel
Butler	Hays	Reid
Camp	Hébert	Roe
Carney, Ohio	Heckler, Mass.	Rooney, N.Y.
Chappell	Helstoski	Ryan
Chisholm	Hillis	Sebelius
Clark	Hudnut	Sikes
Clawson, Del	Johnson, Pa.	Snyder
Clay	Karth	Stark
Cleveland	Keating	Steiger, Ariz.
Cochran	Kluczynski	Stephens
Collins, Ill.	Landrum	Stokes
Conte	Lehman	Symington
Conyers	Litton	Talcott
Crane	Long, Md.	Taylor, Mo.
Danielson	Lott	Teague, Calif.
Davis, Ga.	Lujan	Thompson, N.J.
de la Garza	McSpadden	Van Deerlin
Dellenback	Macdonald	Waldie
Dellums	Mathis, Ga.	Wiggins
Denholm	Melcher	Wilson, Bob
Devine	Metcalfe	Wyatt
Dickinson	Michel	Wydler
Diggs	Milford	Wylie
Donohue	Mills, Ark.	Wyman
Downing	Mizell	Young, Alaska
Eshleman	Murphy, Ill.	Young, S.C.
Findley	Myers	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 11576, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 317 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this amendment to provide a more realistic level of financing for the great and important vocational rehabilitation program. My colleagues will recall that after considerable difficulty, including two Presidential vetoes, we finally enacted a far-reaching revision and extension of the rehabilitation program just a few months ago.

The new act calls for emphasis on the rehabilitation of the most severely disabled individuals. This obviously will require more money. The costs of these services will be higher and last for a longer period of time. Unless we provide for additional funds, there may be a falloff in the number of handicapped rehabilitated yearly. I doubt that there is one Member of Congress who intends or desires this result. State agencies will need more counselors and more facilities to serve the more severely disabled.

Second, Mr. Chairman, we are all faced with a higher rate of inflation generally and more particularly, in the kinds of services which are provided by State rehabilitation programs—medical training and counseling. The increase proposed by this amendment is necessary in order to cover these increasd costs.

Mr. Chairman, many times during my years in Congress, I have characterized the rehabilitation program as being the most humanitarian effort the Congress ever enacted. It is viewed by virtually everyone as the best example of cooperation between the Federal Government and the States in providing services to persons in need.

I want to assure my colleagues that the additional amount being proposed can be and will be effectively utilized.

I know Members are receiving letters similar to those I am receiving expressing concern about attempts to dilute the focus of the rehabilitation programs. There is talk in the field about how HEW is going to merge and consolidate the rehabilitation program with other social service programs. It is beyond me why anyone would wish to tamper with a program which has been so successful in the past.

I want Members to know that in the Committee on Education and Labor we are going to do everything possible to protect the integrity of the rehabilitation effort. In that regard, oversight hearings were held just this morning to insure that the carefully constructed safeguards of the new act are followed by the administration.

This extra money is needed and it will be effectively utilized. It is estimated that with the amount provided in this amendment, an additional 20,000 handicapped individuals will receive services.

As I indicated earlier, the battle to establish an appropriate level of spending has lasted 2 years. This amendment only asks for funding at the same level as is authorized. That authorization figure is much less than many wanted and it was agreed to only after a bitter struggle. We would be derelict in our responsibilities if we did not meet that authorization level by approving this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GONZALEZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 164, not voting 109, as follows:

[Roll No. 612]

AYES—160

Abzug	Andrews, N.C.	Badillo
Adams	Ashley	Barrett
Addabbo	Aspin	Bennett
Bergland	Harrington	Reuss
Biaggi	Hawkins	Riegle
Biester	Hechler, W. Va.	Rinaldo
Bingham	Heckler, Mass.	Roberts
Blatnik	Hicks	Rodino
Boggs	Hogan	Roncalio, Wyo.
Brademas	Holifield	Rooney, Pa.
Brasco	Holt	Rosenthal
Brinkley	Holtzman	Rostenkowski
Brooks	Howard	Roush
Brown, Mich.	Hungate	Roy
Burgener	Johnson, Calif.	Roybal
Burke, Mass.	Jones, Ala.	Runnels
Burleson, Tex.	Jordan	Sarasin
Burton	Kastenmeier	Sarbanes
Carey, N.Y.	Kazen	Schroeder
Clark	Koch	Seiberling
Clay	Kyros	Shoup
Cohen	Lent	Sisk
Corman	Long, La.	Spence
Cronin	Long, Md.	Staggers
Culver	McCloskey	Stanton,
Daniels,	McCollister	James V.
Dominick V.	McCormack	Steele
Davis, S.C.	McKinney	Stratton
Dent	Madden	Stuckey
Dingell	Mann	Studds
Dorn	Matsunaga	Sullivan
Drinan	Mazzoli	Teague, Tex.
Dulski	Meeds	Thompson, N.J.
du Pont	Mezvinsky	Thone
Eckhardt	Minish	Thornton
Edwards, Calif.	Mink	Tiernan
Eilberg	Mitchell, Md.	Udall
Esch	Mitchell, N.Y.	Ullman
Fisher	Moakley	Vanik
Foley	Moorhead, Pa.	Vigorito
Ford,	Morgan	Wampler
William D.	Moss	Whalen
Fountain	Murphy, N.Y.	White
Fraser	Nedzi	Wilson,
Froehlich	Nix	Charles H.,
Gaydos	Obey	Calif.
Gettys	O'Brien	Wilson,
Giaimo	O'Hara	Charles, Tex.
Gilman	Perkins	Wolff
Ginn	Pickle	Wright
Gonzalez	Preyer	Yatron
Gray	Price, Ill.	Young, Ga.
Green, Pa.	Quie	Young, Tex.
Gude	Randall	Zablocki
Hamilton	Rees	
Hanna	Reid	

NOES—164

Abdnor	Flynt	Mallary
Andrews,	Ford, Gerald R.	Maraziti
N. Dak.	Forsythe	Martin, Nebr.
Annunzio	Frelinghuysen	Martin, N.C.
Archer	Frenzel	Mathias, Calif.
Armstrong	Frey	Mayne
Ashbrook	Goodling	Miller
Bauman	Green, Oreg.	Minshall, Ohio
Blackburn	Gross	Mollohan
Boland	Grover	Montgomery
Bowen	Gubser	Moorhead,
Bray	Guyer	Calif.
Breaux	Haley	Mosher
Breckinridge	Hammer-	Natcher
Broomfield	schmidt	Parris
Brotzman	Hanrahan	Passman
Brown, Ohio	Hansen, Idaho	Patten
Broyhill, N.C.	Hansen, Wash.	Pike
Broyhill, Va.	Harvey	Powell, Ohio
Burlison, Mo.	Hastings	Price, Tex.
Byron	Hébert	Pritchard
Carter	Heinz	Railsback
Casey, Tex.	Henderson	Rarick
Cederberg	Hinshaw	Regula
Chamberlain	Horton	Rhodes
Clancy	Hosmer	Robinson, Va.
Clausen,	Huber	Robison, N.Y.
Don H.	Hunt	Rogers
Collier	Hutchinson	Roncallo, N.Y.
Collins, Tex.	Ichord	Rose
Conable	Jarman	Rousselot
Conlan	Johnson, Colo.	Ruppe
Cotter	Jones, N.C.	Ruth
Coughlin	Jones, Okla.	St Germain
Daniel, Dan	Jones, Tenn.	Sandman
Daniel, Robert	Kemp	Satterfield
W., Jr.	Ketchum	Scherle
Davis, Wis.	Kuykendall	Schneebeli
Delaney	Landgrebe	Shipley
Dennis	Latta	Shriver
Derwinski	Leggett	Shuster
Duncan	McClory	Skubitz
Edwards, Ala.	McDade	Slack
Erlenborn	McEwen	Smith, Iowa
Evans, Colo.	McFall	Smith, N.Y.
Evins, Tenn.	McKay	Stanton,
Fascell	Madigan	J. William
Fish	Mahon	Steed
Flood	Mailliard	Steelman

Steiger, Wis.	Vander Jagt	Williams
Stubblefield	Veysey	Winn
Symms	Waggonner	Yates
Taylor, N.C.	Walsh	Young, Fla.
Teague, Calif.	Ware	Young, Ill.
Thomson, Wis.	Whitehurst	Zion
Towell, Nev.	Whitten	Zwach
Treen	Widnall	

NOT VOTING—109

Alexander	Downing	Myers
Anderson, Calif.	Eshleman	Nelsen
	Findley	Nichols
Anderson, Ill.	Flowers	O'Neill
Arends	Fulton	Owens
Bafalis	Fuqua	Patman
Baker	Gibbons	Pepper
Beard	Goldwater	Pettis
Bell	Grasso	Peyser
Bevill	Griffiths	Poage
Bolling	Gunter	Podell
Brown, Calif.	Hanley	Quillen
Buchanan	Harsha	Rangel
Burke, Calif.	Hays	Roe
Burke, Fla.	Helstoski	Rooney, N.Y.
Butler	Hillis	Ryan
Camp	Hudnut	Sebelius
Carney, Ohio	Johnson, Pa.	Sikes
Chappell	Karth	Snyder
Chisholm	Keating	Stark
Clawson, Del	King	Steiger, Ariz.
Cleveland	Kluczynski	Stephens
Cochran	Landrum	Stokes
Collins, Ill.	Lehman	Symington
Conte	Litton	Talcott
Conyers	Lott	Taylor, Mo.
Crane	Lujan	Van Deerlin
Danielson	McSpadden	Waldie
Davis, Ga.	Macdonald	Wiggins
de la Garza	Mathis, Ga.	Wilson, Bob
Dellenback	Melcher	Wyatt
Dellums	Metcalfe	Wydler
Denholm	Michel	Wylie
Devine	Milford	Wyman
Dickinson	Mills, Ark.	Young, Alaska
Diggs	Mizell	Young, S.C.
Donohue	Murphy, Ill.	

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CAPITOL BUILDINGS AND GROUNDS

HOUSE OFFICE BUILDINGS

For an additional amount for "House Office Buildings", $52,000.

Effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act, the compensation of personnel assigned to the House garages in connection with parking activities and paid from the appropriation "House Office Buildings" under the Architect of the Capitol without regard to chapter 51 and subchapters III and IV of chapter 53 of title 5, United States Code, and shall thereafter be adjusted in accordance with 5 U.S.C. 5307.

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

Mr. Chairman, I would like to engage in a colloquy, for the purpose of establishing some legislative history, with the gentleman from Kansas (Mr. SHRIVER).

I will say to the gentleman from Kansas (Mr. SHRIVER) that I noted in the record of the subcommittee hearings, on page 510, that the gentleman from Illinois (Mr. MICHEL) raised the subject of the Rehabilitation Services Administration program for public offenders.

I personally intend to thank the gentleman for raising that subject, but I understand that he is away on business.

I would appreciate it if the gentleman from Kansas could give us some further clarification of the issue.

The testimony of Mr. Reedy suggests that HEW is planning to curtail its program of public offenders.

That is certainly the impression I get from reading the statements of Mr. Reedy.

I wonder if the gentleman could give us his understanding and that of the members of the subcommitee.

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

Mr. RAILSBACK. I would be glad to yield to the gentleman.

Mr. SHRIVER. Mr. Chairman, I certainly would not want to give the impression that I support any plan to curtail the program. As the report indicates, there was testimony before the subcommittee that over 23,000 offenders were assisted under the public offenders rehabilitation program in fiscal year 1973, at a cost of approximately $42 million. This is a very sizable program and one that fills a serious need.

So it is my understanding, and I would certainly urge, that HEW will give priority attention to the severely handicapped as beneficiaries of the Rehabilitation Services Administration program. However, the rehabiiltation of public offenders, toward which only 8 percent of the RSA budget was directed in fiscal year 1973, should certainly be continued, and that would be my feeling.

Mr. RAILSBACK. Mr. Chairman, I want to thank the gentleman from Kansas.

I would cite the report of the Committee on Education and Labor (Rept. No. 93-244) on the Rehabilitation Act of 1973, which, I believe, clearly reflects the view stated by my colleague.

On page 10 of the report, the committee—

recognizes that there is a great justification for serving those individuals with social disabilities and handicaps, while assigning "first priority" to those persons who are severely physically and mentally handicapped.

And the committee emphasized that it—

does not expect the Rehabilitation Services Administration to discontinue services in any area where it is now providing services.

The intention of the committee is clear in this regard and I would hope that there is no doubt in the minds of the officials at HEW regarding the legislative intent in support of a continuation of the program of rehabilitation of public offenders.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CHAPTER VI ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

For an additional amount for "Operating expenses", $5,500,000.

Mr. EVINS of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, under the public works section of this bill—title VI of the second supplemental appropriations bill concerning public works and Atomic Energy Commission appropriations, there are two items for the AEC—three items for the Corps of Engineers—and one for the Bureau of Reclamation of the Department of the Interior.

The committee has approved $5,500,000 for the Atomic Energy Commission in this supplemental bill.

I want to call your attention to the fact that in the regular public works-AEC bill enacted earlier this year, the AEC received $1,107,600,000 for operating expenses. For the weapons program we provided $830,000,000 for immediate direct costs of the weapons programs and $276,900,000 for goods and services on order at the end of this year.

At that time our committee cut and reduced the weapons program by $50,000,000—and now the AEC is requesting restoration of $10,700,000 of the amount cut out in the bill which was signed into law by the President last August.

I repeat: We have cut and reduced this supplemental request by $5,200,000 to $5,500,000, which we believe is ample and adequate for current weapons program needs at this time.

Our committee felt testimony did not justify appropriation at this time of the entire amount requested.

While we cannot, of course, discuss secret information and classified material, I can assure you that this Nation's stockpile of atomic weapons and nuclear warheads is adequate and substantial.

The committee recommends the full budget request of $30,000,000 for the construction of three additional underground radioactive waste storage tanks, and for the construction of new and improvement of existing systems for handling wastes at Richland, Wash.

The committee recommends the total appropriations request of $125,000,000 by the Corps of Engineers for repair and restoration of flood control works damaged in floods on the Mississippi River earlier this year.

These floods caused damages totaling $494,600,000—13,610,000 acres were flooded—more than 50,000 people were evacuated—and in some areas 2 years of crops were lost.

Existing flood control works and measures by the Corps of Engineers saved an estimated $7,400,000,000 in flood damages on the Mississippi River.

In our report at the time of the passage of the regular Public Works and AEC Appropriations bill earlier this year, our committee requested that the corps submit "on an urgent basis" an estimate of the 1974 fund requirements related to this flood damage.

The corps, as I indicated earlier, requested $125 million—$125,000,000—and this is the recommendation of our Committee.

In addition, a total of $100,000,000 is included in the bill to replenish the emergency fund.

This amount will provide $92,000,000 allocated for known emergency requirements in the Mississippi River Basin—$1 million for emergency activities at other locations—and $7 million for replenishment of the emergency fund.

The committee also recommends $7,600,000 to remove debris and sediment left after flood waters receded—and $17,500,000 for repair of damaged corps projects.

Three projects were added—two for the Corps of Engineers and one in the Bureau of Reclamation.

I want to stress that funds for all of

these projects will be drawn from available funds.

These projects are:

First—$10,000 within available funds for the Corps of Engineers to initiate the Charlotte Harbor—Boca Grande—study in Florida.

Second—$60,000 for the Corps of Engineers for an urgent beach erosion project at East Rockaway Inlet to Rockaway Inlet and Jamaica Bay, N.Y.

Third—the Bureau of Reclamation is directed also within available funds to allocate $25,000 to initiate the McGee Creek feasibility study in Atoka County, Okla.

The committee recommends the full supplemental budget estimate of the Bureau of Reclamation, Department of the Interior of $1,250,000 needed to accelerate research into underground electric power transmission and other transmission research directly related to the national energy research and development efforts—the energy crisis.

CONCLUSION

These are the supplemental recommendations of my subcommittee—we are in unanimous agreement. I urge that these items be approved and adopted in the national interest.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for "Payment to the postal service fund", $110,000,000.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I make a point of order on the matter contained in chapter IX of the bill, H.R. 11576.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GROSS Mr. Chairman, I make a point of order that the matter contained in chapter IX of the bill H.R. 11576, dealing with the U.S. Postal Service, lines 13 through 19 on page 13 is in violation of rule XXI, clause 2, of the Rules of the House of Representatives which provides:

> No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law. . . .

Mr. Chairman, chapter IX of the bill proposes to appropriate an additional amount for payment to the Postal Service fund in the sum of $110,000,000, for which there is no authorization in the law, and in clear violation of the House rule.

According to the communication from the President, dated November 6, 1973, proposing supplemental appropriations for fiscal year 1974, the Postal Service supplemental, and I quote from the communication:

> Is necessary to cover a portion of the increased cost of handling certain classes of mail on a free or reduced rate basis resulting primarily from recent salary and wage increases for postal employees.

The communication states further:

> The requested appropriation is in accordance with 39 U.S.C. 2401(c) which authorizes appropriations to cover the revenue foregone from the carrying of these classes of mail on a free or reduced rate basis.

Mr. Chairman, I submit that while the cited provision of title 39, United States Code does, in fact, authorize appropriations for revenue foregone on free and reduced rate mail, it does not, and I repeat, it does not authorize appropriations for "the increased cost of handling certain classes of mail * * * resulting from recent salary and wage increases," nor does it authorize supplemental appropriations to cover any revenues foregone as a result of the imposition of temporary rates or the phasing thereof.

The Postal Reorganization Act of 1970 divorced the Congress from postal rate making and established the U.S. Postal Rate Commission for the prime purpose of acting on postal rate adjustments proposed by the Postal Service. In order to guard against undue delay in establishing rate adjustments, the act permits the Postal Service to install temporary rates if the Rate Commission fails to respond with a decision within 90 days. The 90 days so provided was considered ample time for the Rate Commission to act responsibly inasmuch as this is practically its only duty.

However, the first time this new law was used, it took the Rate Commission 16 months to return a decision to the Postal Service, from February 1, 1971, until June 5, 1972. In the meantime, the Postal Service invoked its temporary rate authority and as a result, temporary increases remained in effect for more than a year until the Rate Commission confirmed the new rates.

Now, the Postal Service has again sent a proposed rate increase to the Rate Commission and based on its experience, has already announced that the rate increases will be imposed on a temporary basis on January 5, 1974.

This announcement presumes that the Rate Commission will not have finished its consideration of the new rates within 90 days. However, it amounts to a unilateral fixing of postal rates by the U.S. Postal Service and causes wonder as to why we have a Rate Commission at all.

In the Postal Service's presentation to the Rate Commission, on September 25, 1973, Mr. Richard F. Gould, Assistant Postmaster General for Finance, said:

> The Postal Service will request a supplemental appropriation for fiscal year 1974 for "revenue foregone" for those classes of mail entitled to phasing . . . as a result of our implementation of temporary rates on January 5, 1974.

Mr. Ralph Nicholson, senior assistant Postmaster General, made essentially the same statement before the House Appropriations subcommittee in support of this supplemental appppropriation. Mr. Nicholson said:

> In calculating the increases in revenue foregone for 1974, we have *assumed* the assent of the Coast of Living Council, an effective date of January 5, and the specific *temporary* rates set forth in the Federal Register . . .

Mr. Chairman, such an appropriation clearly is not supportable by the Postal Reorganization Act as codified in title 39 United States Code.

Under section 3626 of title 39, the Congress mandated that certain classes of mail would be entitled to phased rates for a specific period of time—5 or 10 years—until the users of these classes of mail are able to absorb the impact of new permanent rates.

In mandating these preferential rates, the Congress also authorized appropriations for the difference between the full permanent rate and the phased preferential rate. This is the "revenue foregone" referred to in section 2401(c) of title 39. Under the present permanent rate structure, this revenue foregone has has already been appropriated by Public Law 93–143 for fiscal year 1974.

The authority for the Postal Service to impose temporary rates (section 3641 of title 39) is separate and distinct from the preferential phasing provisions of section 3626 and from the authorization under section 2401(c).

This interpretation of the law has been upheld by the Court of Appeals for the District of Columbia Circuit Court in a 1972 decision. When called upon to decide whether temporary rates imposed pursuant to section 3641 were subject to the phasing provisions of section 3626 of the Act, the court held that the phasing provisions were independent of the temporary rate provisions and further noted that:

> The appropriations process, on which phasing is contingent, is not well suited for supplying revenue deficiencies in connection with a situation calling for temporary rates. If Congress were to make an appropriation for revenue foregone with respect to temporary rates—prior to the time that a final decision is reached by the Postal Rate Commission—it would be placed in the position of having to assume the propriety of the requested full rate in order to have a base from which to complete the reduction represented by phasing.

Mr. Chairman, at the appropriate time I will ask unanimous consent to insert in the RECORD correspondence from the American Law Division of the Library of Congress on this point. In substance, however, the Library of Congress response says:

> It appears to us that the Postal Reorganization Act of 1970 does not authorize supplemental appropriations to cover any revenues foregone as a result of the imposition of temporary rates or the phasing thereof.

Mr. Chairman, if, as the November 6 communication from the President states, this supplemental appropriation for the Postal Service is intended to cover a portion of the increased cost of handling certain classes of mail resulting primarily from recent salary increases, then I submit that the appropriation is proposed with no authorization whatsoever.

It is one thing to calculate the difference between permanent rates of postage and the congressionally mandated preferential rate, and appropriate such money as is authorized by law.

But it is quite another to foist off on the Congress an unauthorized postal subsidy to help pay for postal salary increases.

These pay increases were negotiated entirely outside the jurisdiction of the Congress, and Congress has neither the obligation nor the responsibility of sub-

sidizing the latest labor contract agreed to by the Postal Service. We can no longer afford the luxury of permitting the Postal Service, in its demands for, and use of, Federal funds, to function in a bureaucratic limbo, accountable for its actions and policies to no elected authority.

Mr. Chairman, I ask that the point of order be sustained.

The letters I have referred to are as follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., October 3, 1973.

Mr. HARRY N. STEIN,
Chief, American Law Division,
Library of Congress.

DEAR MR. STEIN: It would be appreciated if you could provide me as soon as possible your comment on the application of certain provisions of the Postal Reorganization Act of 1970 which deal with Congressional appropriations in conjunction with the items set out below.

(1) On September 25, 1973, the U.S. Postal Service transmitted to the U.S. Postal Rate Commission its request for a recommended decision on changes in rates of postage and fees for postal services.

(2) The U.S. Postal Service, in its presentation, stated:

"Though we believe the rate making process will consume less time for this request than the initial one, the Postal Service's financial estimates and plans assume that we will implement our temporary rate authority on January 5, 1974."

(3) The U.S. Postal Service, in its presentation, also stated:

"The Postal Service will request a supplemental appropriation for fiscal year 1974 for 'revenue foregone' for those classes of mail entitled to phasing. This supplemental appropriation request will reflect those amounts of 'revenue foregone' by class of mail that are required by the Postal Service as a result of our implementation of temporary rates on January 5, 1974 (our appropriation request will ask the amount which equals the difference between temporary rates implemented on January 5, 1974 and the proposed full rates). The total amount of this appropriation request is $195.8 million, including $84.2 million for regular-rate third class mail."

(4) The authority under which the U.S. Postal Service proposes to make its supplemental appropriation request is contained in title 39, U.S. Code, section 2401(c), which reads as follows:

(c) There are authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403-3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Act.

(5) Section 3626 of title 39, cited above reads as follows:

3626. Reduced rates

If the rates of postage for any class of mail or kind of mailer under former sections 4358, 4359, 4421, 4422, 4452, or 4554 of this title, as such rates existed on the effective date of this subchapter, are, on the effective date of the first rate decision under this subchapter affecting that class or kind, less than the rates established by such decision, a separate rate schedule shall be adopted for that class or kind effective each time rates are established or changed under this subchapter, with annual increases as nearly equal as practicable, so that—

(1) the revenues received from rates for mail under former sections 4358, 4452(b) and (c), and 4554(b) and (c) shall not, on and after the first day of the tenth year following the effective date of the first rate decision applicable to that class or kind, exceed the direct and indirect postal costs attributable to mail of such class or kind (excluding all other costs of the Postal Service); and

(2) the rates for mail under sections 4359, 4421, 4422, 4452(a), and 4554(a) shall be equal, on and after the first day of the fifth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail if this subsection had not been enacted.

No person who would have been entitled to mail matter under former section 4359 of this title shall mail such matter at the rates provided under this subsection unless he files annually with the Postal Service a written request for permission to mail matter at such rates.

(6) The authority under which the U.S. Postal Service intends to implement temporary rates is contained in section 3641 of title 39 which reads as follows:

3641. Temporary changes in rates and classes

(a) If the Postal Rate Commission does not transmit to the Governors within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a recommended decision on a change in rates of postage or in fees for postal services, or on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days' notice in the Federal Register, may place into effect temporary changes in rates of postage, in fees for postal service, or in the mail classification schedule it considers appropriate to carry out the provisions of this title. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its recommended decision to the Governors.

(b) If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, in fees for postal services, or in the mail classification schedule.

(c) A rate of postage for a class of mail or a fee for a postal service under a temporary change under this section may not exceed the lesser of (1) the rate or fee requested for such class or service, or (2) a rate or fee which is more than one-third greater than the permanent rate or fee in effect for that class or service at the time a permanent change in the rate or fee of such class or service is requested under section 3622 of this title.

(7) I call your attention to the following discrepancies in the reasoning of the Postal Service:

(a) The sums authorized to be appropriated under 39 USC 2401(c) relate specifically to the implementation of sections 3217, 3403-3405, and 3626 of title 39.

(b) Section 3626 of title 39 deals specifically with the rates of postage "established or changed under *this subchapter*." Such subchapter is Subchapter II—Permanent Rates and Classes of Mail, of Chapter 36, title 39.

(c) The authority to implement temporary rates is contained in section 3641, title 39, which is under Subchapter III of Chapter 36, title 39.

Very clearly, in my estimation, the language and the intent of the law is to authorize the appropriation of revenue foregone on certain rates of postage which have been determined under the processes of Subchapter II of Chapter 36 of title 39, and which rates have been decided as *permanent* rates.

It is my interpretation of the law that there is no authority for the appropriation of revenue foregone, as that term is used in the Act, for the phasing of temporary rates in the absence of specific authorizing legislation.

I would appreciate your advice on this matter.

Sincerely,

THEODORE J. KAZY,
Senior Staff Assistant.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., November 8, 1973.

To: House Post Office & Civil Service Committee; Attention: Theodore J. Kazy
From: American Law Division
Subject: Supplemental Appropriations Covering Revenues Foregone by Imposition of Temporary Rates Under the Postal Reorganization Act

This will refer to your letter of October 3, 1973 concerning the propriety of a Postal Service request for supplemental appropriations for revenue foregone as a result of imposition of temporary rates pursuant to 39 U.S.C. § 3641 of the Postal Reorganization Act of 1970.

We are in substantial agreement with the analysis of the problem contained in your letter. We would, however, wish to make the following observations.

The Court of Appeals for the District of Columbia Circuit in *District Mail Advertising Association* v. *United States Postal Service*, 147 U.S. App. D.C. 394, 458 F.2d 813 (1972), *cert. denied* 409 U.S. 843 (1972), was called upon to decide whether temporary rates imposed pursuant to § 3641 were subject to the phasing provisions of § 3626. The court held that the phasing provisions of § 3626 were independent of § 3641 and further noted that:

"Temporary rates were one means to the end (self sufficiency of the Postal Service); reduced rates were contemplated only insofar as appropriations would counterbalance their effect so as not to obstruct the primary goal. This mandate to the Postal Service with respect to the level at which it may set temporary rates would be frustrated by requiring these rates to be phased, since that would unduly burden the fiscal operation of the Postal Service. *The appropriations process, on which phasing is contingent, is not well suited for supplying revenue deficiencies in connection with a situation calling for temporary rates. If Congress were to make an appropriation for revenue foregone with respect to temporary rates—prior to the time that a final decision is reached by the Postal Rate Commission—it would be placed in the position of having to assume the propriety of the requested full rate in order to have a base from which to complete the reduction represented by phasing*, 147 U.S. App. D.C. at 399, 458 F.2d at 818." (emphasis added).[1]

The legislative history of the Postal Reorganization strongly indicates Congressional intent to avoid direct involvement in the rate making process. H.R. Rep. No. 1104, 91st Cong., 1st Sess., 1970 U.S. Cong. and Admin. News, 3649, 3667.

It also appears to us that establishing a level for supplemental appropriations for revenue foregone as a result of temporary rates would be in large measure a matter of guesswork. Section 3641 provides that the Postal Service may keep temporary rates in effect no more than 30 days after the Postal Rate Commission has returned a recommended decision. The Commission may return its recommended decision at any time. It appears, therefore, that a requested supplemental appropriation reflects a guess of the time the Commission will return a recommended decision. We believe this is in contradistinction to the rather precise appro-

[1] We note that the position of the Service in its current request may be inconsistent with prior request. See 147 U.S. App. D.C. at 397 458 F.2d at 816.

priations levels that are authorized when the phase-in provisions of § 3626 are utilized pursuant to § 2401(c).

From the foregoing, in conjunction with the analysis contained in your letter, it appears to us that the Postal Reorganization Act of 1970 does not authorize supplemental appropriations to cover any revenues foregone as a result of the imposition of temporary rates or the phasing thereof.

BRUCE P. MOORE,
Legislative Attorney.

REBUTTAL SUMMARY

The Postal Reorganization Act contains three permanent authorizations for appropriations as follows:

First. Public service costs in an amount of 10 percent of the fiscal year 1971 budget. This has already been appropriated for fiscal year 1974.

Second. Revenue foregone—to reimburse the Postal Service for the revenue it loses by reason of carrying mail at free or reduced rates as mandated by law. The revenue foregone is calculated on the basis of permanent rates arrived at under the proceedings set forth for the Postal Rate Commission. The full amount requested by the Postal Service has already been appropriated for fiscal year 1974.

Third. Transitional appropriations to insure a sound transition from the Post Office Department to the Postal Service. The full amount requested by the Postal Service has already been appropriated for fiscal year 1974. The appropriation for the Postal Service contained in H.R. 11576 is not authorized by any of the above three authorizations. The appropriation clearly violates clause 2 of House Rule XXI, and I again insist on the point of order.

The CHAIRMAN. Does the chairman wish to be heard on the point of order?

Mr. STEED. Yes, Mr. Chairman. The purpose of the act on the Postal Corporation is quite clear. It provides that the Congress shall make appropriations to the Postal Corporation for two purposes; one, 10 percent of the 1970 budget, the other, for revenues foregone on certain classes of mail.

When the budget came out this year, those two items totaled $1,373,000,000. The committee, when it reported the bill in the House and Congress approved the bill, carried these two items of $1,373,000,000, but there was another matter that was involved, because the legislative committee have not finished their work. They have had to fund the Postal Corporation for the Government's portion of contributions to the retirement fund for postal pay raises. The House has passed the bill saying that the government had to make these payments. The other body has not seen fit to take any action. The retirement fund was in desperate circumstances, and the committee, in its wisdom, biding time to wait for the legislative committee to act, put in the original bill to transfer out of this $1,373,000,000 to the retirement fund of $142 million. The $110 million involved here is $32 million under the original budget request based upon these two items provided in the act. The revenue foregone is covered in section (c), paragraph 2401:

There are authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Act.

What we are faced with here is going back to the beginning. We are actually $32 million under what the original estimates were, and also this is perfectly within the law and perfectly within the original budget estimates of the committee, and it is under the amount that they originally set, and I do not think there is any way on earth that we can begin to say that this could be subject to a point of order.

The CHAIRMAN. Does the gentleman from Iowa wish to be heard further on his point of order?

Mr. GROSS. Very briefly. Mr. Chairman, the report accompanying the supplemental appropriation bill, page 40, the last paragraph, states:

The Committee continues to be concerned about the time lag between temporary and permanent postal rate increases. In this connection, the Postal Rate Commission is urged to study ways to expedite this process.

The committee in my opinion practically admits that it is in this instance approving in advance a postal rate increase.

The CHAIRMAN (Mr. O'HARA). The Chair is prepared to rule.

Section 2401(b)(1) authorizes certain sums for appropriations, as the gentleman from Oklahoma points out, and the gentleman from Iowa has recognized that with respect to this matter further sums are authorized to be appropriated under section 2401(c) which authorizes the appropriation "to the Postal Service each year of a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received " under certain circumstances and "estimated revenues to be received on mail carried under such sections and act."

The provision carried in the bill is to cover the estimate that was transmitted by the Postal Service.

The gentleman from Iowa makes the point that the estimate transmitted by the Postal Service was not properly arrived at.

The Chair does not believe it is his responsibility or privilege to go beyond the provisions printed in the bill and the authorizing statute. As far as a reading of the bill and the authorizing statute reveals to the Chair, the appropriation is authorized, and the Chair overrules the point of order.

The Clerk will read.

The Clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON INTERNATIONAL ECONOMIC POLICY
SALARIES AND EXPESES

For necessary expenses of the Council on International Economic Policy, including services as authorized by 5 U.S.C. 3109, $1,000,000.

AMENDMENT OFFERED BY MR. FRENZEL

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

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: On page 13, line 22, strike "$1,000,000", and insert in lieu thereof, "$1,350,000".

Mr. FRENZEL. Mr. Chairman, my amendment would restore $350,000 of the $400,000 cut made by the Appropriations Committee in the salaries and expenses appropriation for the Council on International Economic Policy. The International Trade Subcommittee of the Banking and Currency Committee authorized the budget request amount of $1.4 million. It is the same amount we authorized last year. In this time of budgetary stringency, a cut of $50,000 in the Council's budget request seems to me severe but reasonable.

Further, Mr. Chairman, the Council on International Economic Policy obligated $947,000 out of their budget of $1 million during fiscal year 1973. For the three quarters of fiscal year 1973 for which their fiscal year 1973 appropriation was made, this meant an obligation rate of $315,670 per quarter; or, if extended over four quarters, an obligation rate of $1,270,000 for the entire year.

If $400,000 is cut from their requested $1,400,000, it will mean an overall reduction in their total budget request for fiscal year 1974 of 29 percent, and will signify a 26.3-percent reduction below their expenditure rate for fiscal year 1973. Based upon their obligations through the first two quarters of fiscal year 1974, it will mean a 50-percent reduction in funds available for operations during the last two quarters of fiscal year 1974. Such a reduction would seem to be unintended and place somewhat unreasonable restrictions upon the Council's ability to continue operating at required levels for the remainder of this fiscal year.

At a time of international economic crisis this drastic a cut in our expenditures for planning in the general international economic field seems to me unwise and imprudent. As we all know, the energy crisis with all of its domestic and international implications has drastically worsened ever since the subcommittee marked up this bill.

Mr. Chairman, I find it ironic that at the very time our balance of payments is showing a dramatic recovery and at a time when we are about to embark on a critical round of trade and energy negotiations, we should undercut the very arm of Government which can be so responsible for bringing some order out of the relative chaos of our international economic affairs. Therefore, Mr. Chairman, I urge the House to adopt my amendment which would restore $350,000 of the $400,000 cut made in this item by the Appropriations Committee.

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

Mr. FRENZEL. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, the hearings on this item were conducted by the subcommittee prior to the legislative act which extended the life of this Commission. Then it was omitted in the regular bill. Since the regular bill passed, we had only a very brief hearing for the supplemental item, but it became law, and the members of the legislative subcommittee who sponsored this legislation are cog-

nizant of the fact that in the last few weeks the international situation has taken a turn that will impose a very heavy responsibility upon this particular agency.

Therefore I think that the amendment is well taken and as far as I am concerned personally I urge its adoption.

Mr. FRENZEL. I thank the distinguished gentleman. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Chairman, on behalf of the minority, the amendment is acceptable to us.

Mr. FRENZEL. I thank the gentleman.

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

I would like to engage the gentleman from New York in colloquy in regard to this matter.

The Committee on Appropriations thought it could save $350,000 here. Have we changed our minds, and if so, why?

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

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

Mr. ROBISON of New York. I am sorry. I did not hear what the distinguished gentleman said.

Mr. MAHON. I asked the gentleman if it is not true that in the markup on the bill and in the full committee we inserted $1 million for the activities of this organization.

Now, has the gentleman changed his mind since that time? Does he think we ought to adopt this amendment?

Mr. ROBISON of New York. Mr. Chairman, at the time of the markup I went along with the request where the suggestion was made that it would be sufficient; but that markup was, as the gentleman knows, some days ago and since that time the energy crisis has become a worldwide crisis of severe and serious proportions. It would be unwise to reduce the effect of this particular agency at a time when it might be of help to the President and to the Congress in dealing with the international aspect of the energy crisis.

Mr. MAHON. Mr. Chairman, will the gentleman from Michigan engage in this colloquy?

Is the gentleman agreeable to this amendment?

Mr. CEDERBERG. Yes; in light of the international complications involved, I think this is money wisely spent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 107, noes 23.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ECONOMIC STABILIZATION ACTIVITIES

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $20,700,000.

AMENDMENT OFFERED BY MR. ASHBROOK

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

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 14, line 4, strike out "$20,700,000" and insert "0".

Mr. ASHBROOK. Mr. Chairman, I do not need 5 minutes and I will not take 5 minutes.

At first, I was going to offer an amendment to strike $2 million. The more I thought about it, I was going to increase it to $5 million, but the more I reflected, I thought that just to strike the entire amount would be consistent with economy.

Certainly, there is no good reason that was proven of the effect the economic stabilization gave.

Mr. Chairman, I would urge the House to strike the entire amount.

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

Mr. Chairman, the gentleman's amendment would have the effect of abolishing the economic stabilization activities. If that is what he wants to accomplish, then I ask how he proposes to have legislation to do this job. If we are going to have an economic stabilization program at all, there must be some money to operate it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,500,000.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, I raise a point of order to the language of lines 5, 6, 7, and 8 of page 14 under the provisions of rule XXI, clause 2, which prohibits legislation on appropriation bills and which prohibits the appropriation of funds without prior legislative authorization.

Mr. Chairman, I would now like to read from the language of the committee's report on White House office, salaries and expenses:

The Committee recommends an appropriation of $1,500,000, a reduction of $110,000 below the amount of the budget estimate. These supplemental funds were requested to provide the additional funds needed for the activities of the Counselors to the President and their staffs, the President's Foreign Intelligence Advisory Board, the President's Special Assistant for Consumer Affairs, the Council on Economic Policy, and other professional staff and consultants.

Mr. Chairman, before I pursue this matter further, I would point out first of all that when an item in an appropriation bill is defective as violative of the rules of the House—in this instance, Rule XXI, clause 2—the whole of the particular item under the point of order falls.

I would point out further, Mr. Chairman, that my point of order is directed specifically to the President's special assistant for consumer affairs and to that office, which was challenged earlier on this floor this year by the gentlman from Iowa (Mr. GROSS). Upon his point of order the Chair acted affirmatively and ruled in support of the point of order and ruled out the item.

I challenge further on the same grounds, Mr. Chairman, the appropriations for counsellor to the President in that there is no statutory authority for counsellors to the President. I challenge further the President's foreign intelligence advisory board in that there is also, to my knowledge, no statutory authority for this particular office.

Also, Mr. Chairman, I challenge on the same grounds again the counsel on economic policy of the President and his staff and offices, appurtenances and expenditures pertinent thereto. I would point out further, Mr. Chairman, that under the rules of the House of Representatives, that the burden is upon the proponent of the appropriation bill to establish the legislative basis and to cite the statutes upon which the Appropriations Committee bases its action in appropriating funds.

And so, Mr. Chairman, for these reasons I do raise the point of order to the entire amount listed, and I do insist upon that point of order.

The CHAIRMAN. Does the gentleman from Oklahoma (Mr. STEED) wish to be recognized on the point of order?

Mr. STEED. Mr. Chairman, I rise in opposition to the point of order.

Mr. Chairman, all the other Members of this body and of the other body and, as a matter of fact, all the people of this country, including the schoolchildren, understand why there has to be a staff for the President of the United States, and I hope I can explain it now so that the gentleman from Michigan will also be able to understand it.

Title 3 of the United States Code specifies and spells out all the requirements of this item, and all we are doing here is adding some additional money to the President's office staff that was contained in the original appropriation bill, and for which limitations on the use thereof are contained in the language of that bill.

It is open and shut, and I am, to say the least, surprised that the gentleman would be so frivolous as to raise such a point of order at this time.

Mr. DINGELL. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The gentleman may be heard.

Mr. DINGELL. Mr. Chairman, it is with great affection and respect for my friend, the gentleman from Oklahoma, that I respectfully disagree with him. I will point out that he has not cited in any of the instances I raised earlier to the Chair any statutory authority, and while he has raised questions as to my frivolity which I must in great distress challenge, he has not cited any specific statutory authority for any of the offices listed in the committee's report for which the money is presumed to be appropriated pursuant to statute.

I again impress upon the Chair the point that there is no statutory authority for the specific items listed in the report of the Committee on Appropriations. Unless and until the chairman of the subcommittee, my good friend and colleague, the gentleman from Oklahoma,

for whom I have the most intense respect and affection, can cite those, then I must insist upon the point of order, and I am satisfied that the Chair will rule that the expenditures so involved are violative of the rules of the House, most specifically, rule XXI, clause 2.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Oklahoma (Mr. STEED) if he can cite the specific provisions of law on which the committee has relied in its deliberations.

Mr. STEED. Mr. Chairman, I think that the reading of the title 3 of the code would make it quite plain.

In paragraph 105, paragraph 106, and all through it, it very specifically provides for these appropriations. Those appropriations have been in it ever since the Government started, and I cannot imagine that anybody would raise any question of the fact that the President is entitled to have assistance to help him conduct the affairs of his office.

The CHAIRMAN (Mr. O'HARA). The Chair is prepared to rule.

Sections 103, 105, and 106 of title 3 authorize appropriations for the purpose of paying the salaries of certain persons in the Executive Office of the President. The appropriation bill itself, in the paragraph beginning on page 14, line 5, gives no indication that the appropriation would be used for any unauthorized purpose. The paragraph merely provides a lump sum for the Executive Office.

The gentleman from Michigan, in making his point of order, goes beyond the provisions of the bill and looks at the provisions of the committee report.

The Chair does not believe that in this case, any more than in the case made by the gentleman from Iowa earlier in the consideration of the bill, it is within his province to go beyond the plain provisions of the bill, and the authorizing statute.

The Chair, therefore, overrules the point of order.

AMENDMENT OFFERED BY MR. THOMPSON OF NEW JERSEY

Mr. THOMPSON of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of New Jersey: On page 14, line 8 strike out "$1,500,000" and insert in lieu thereof "$500,000."

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, I think the members of the committee will remember that a few short days ago I was the author of a resolution providing for $1 million for the Committee on the Judiciary to proceed with the investigation of the virtually innumerable resolutions for an investigation of the White House and for the possibility of impeachment.

There was a hue and cry about the amount of money available. Now here is a chance for the committee and for the House to retrieve that $1 million, because I would cut from this section $1 million of the $1.5 million without even conceding the need for the last $500,000.

The committee report says—

These supplemental funds were requested to provide the additional funds needed for the activities of the Counselors to the President.

Now, if $1 million more is needed for the activities of the counselors to the President, whoever they are at this moment, I cannot conceive of the need. The need might be perhaps to insure the safety of documents or tapes or something like that in the White House or to put buttons on tape recorders which will not erase and to do such things as that, but that would not cost that much.

The report says "Counselors to the President and their staffs, the President's Foreign Intelligence Advisory Board." Now, I have no quarrel with that which is why I did not cut the whole amount in my amendment.

Then it goes on to say "the President's Special Assistant for Consumer Affairs." I am enthusiastic about that.

It goes on to say "the Council on Economic Policy," and the Lord only knows we need council on economic policy.

Mr. Chairman, I know that the time is late, but I might point out that when they say further "and other professional staff and consultants. In addition, unanticipated personnel changes and reorganization of the White House staff," there are certainly, I am sure, unanticipated additional expenses. I am willing for the $500,000 to cover that.

I think it is only reasonable that this be cut to $500,000 from $1.5 million.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment and ask for a vote.

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

The amendment was rejected.

AMENDMENT OFFERED BY MR. SCHERLE

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

The Clerk read as follows:

Amendment offered by Mr. SCHERLE: On page 4, line 8, strike "$1,500,000" and insert "$1,475,000".

Mr. SCHERLE. Mr. Chairman, my amendment is very simple, but I think at the present time it is very significant.

At the bottom of the report, on page 41, it says simply $25,000 is requested for official travel expenses of the President, which would increase that allowance from $75,000 to $100,000.

I think in these times when we are working with a fuel crisis and asking the people of this country to make huge sacrifices it is not too much to ask that we knock out this $25,000 and allow the administration to suffer right along with all other Americans.

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

Mr. Chairman, just so that the Members will understand what this is all about, the money that is described here has nothing to do with the travel of the President personally but has to do with the movement of the staff of the President.

I think everybody here is aware of the great emergency and the demands on the Office of the President, and I know we can agree that they need additional resources in order to take care of the needs of the country.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. SCHERLE).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. REUSS. Mr. Chairman, I fully support the provision in H.R. 11576 which appropriates $1,870,000 for the Interior Department's Mining Enforcement and Safety Administration — MESA. The money will enable MESA to hire additional personnel to handle civil penalty assessments under the Federal Coal Mine Health and Safety Act of 1969. The Conservation and Natural Resource Subcommittee, of which I am chairman, has extensively investigated the Interior Department's administration of the civil penalty provisions of the 1969 act. Our Subcommittee held hearings on this matter recently, on October 31. Our investigation showed that from January 1, 1970 to October 25, 1973, 711 coal miners died in our Nation's deep and surface coal mines; that thousands more have been injured, many of them permanently; that the Department has grossly failed to enforce the 1969 act; and that much of its failure can be attributed to its lack of adequate staff.

Now, 4 years after enactment of the 1969 law, its administration is steeped in controversy. The Department's penalty assessment program is, as one MESA officially described it, "a mess." Since March 30, 1970, when procedures for assessing civil penalties were first established, over $25.5 million of civil penalties have been assessed, but only $5.1 million have been collected. Some of the leading coal producers, whose mines are also leading in fatalities for 1971, 1972 and 1973, have been assessed huge sums in penalties but have paid little or nothing.

In September 1971, our subcommittee asked the General Accounting Office to investigate the Department's penalty assessment program. The GAO's July, 1972, report enumerated many deficiencies in this program, particularly in the collection of fines that had been assessed.

The GAO report also pointed out that the Interior Department lacked written guidelines a. "defining" six statutory factors which must be considered in determining the "amount" of a fine, and b. "describing the consideration and weight given each" factor. The GAO noted that "no documentation existed" showing how, or even whether, the six factors were considered by the assessors.

Last March, Federal District Judge Aubrey E. Robinson wrote that the Department's "assessment orders seem to issue forth on a mass production basis from a clerical machinery completely divorced from any genuine process of considered determination as to each case." He ruled that under the 1969 law, before assessments can become final—

The Secretary must (1) meaningfully consider the six statutory criteria for penalty assessment, (2) make express determinations thereon with regard to the amount of the

penalty which is warranted, and (3) make express determination that a violation did occur. Express determinations are to be made "by decision incorporating his findings of fact therein."

At the time of our subcommittee hearings on October 31, 1973, there was a backlog of over 60,000 unassessed violations. For nearly 16 months the civil penalty assessment program has been functioning without a permanent chief assessment officer. The person now heading the assessment program is still operating in an acting capacity.

At our hearings the Interior Department informed us that it intended to add 23 additional persons to its assessment force in order to reduce the huge backlog of unassessed violations.

I regret, however, that the Interior Department did not request sufficient funds to insure that this program would be carried out efficiently and effectively. Although the bill we are considering today would provide funds to hire 23 new assessors, and thus help reduce the backlog in MESA, the net result, unfortunately, will be to shift the backlog to the Department's Hearing and Appeals Office. This Office now has only 14 attorneys and the equivalent of 17 hearing officers handling assessment cases at the appeal stage. Rather than proceed to trial on many of these assessments, the Department's Solicitor's office has since last June 11 followed the policy of settling many of these cases. A review of these assessment cases shows that one of the factors that causes the attorneys at the Solicitor's office to settle the cases in "the extreme age" of the violation. In short, the cases, some of which date back to 1970, have backlogged in the Solicitor's office and now, rather than proceed to trial for final collection, the Solicitor's office accepts nearly any offer in ordered wipe the cases off the books. I append some examples of this type of settlement.

The reason why this backlog is continuing to grow at the appeal stage is that the Department of the Interior has refused to adopt the suggestions made by Judge Robinson last March which would include an informal procedure at the assessment level. Instead, last April Interior adopted a formal procedure which requires the Solicitor's office to prepare a petition, based on data prepared by the assessor, and file it in the Department's Office of Hearings and Appeals. This petition triggers a formal procedure in the latter office, including hearings by the hearing officer.

Since this procedure was initiated, 649 petitions covering several thousand violations have been filed in the Hearings and Appeals Office. As of October 1, only 14 petitions had been decided and 589 petitions had not even been assigned to one of these hearing officers who, according to the General Accounting Office, already have a backlog of over 2,000 cases. The General Accounting Office has informed our subcommittee that these hearing officers resolve about 74 cases a month, and that at this rate it will take "over 3 years to resolve" the backlog even if no additional petitions are filed from now on.

At our hearings, we urged Interior to discard this formal procedure in favor of a more informal one. But Interior has thus far refused to do so. The bill we are considering today, as I have said before, will help MESA make initial assessments. But until Interior does something to prevent the building up of cases at the hearing stage—other than settling them for a fraction of their original value—the assessment procedure will continue to be a mockery of the law, and will have little effect on achieving its purpose of protecting the health and safety of the Nation's coal miners.

The material on violations and payments follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., November 9, 1973.

Hon. HENRY S. REUSS,
Chairman, Subcommittee on Conservation and Natural Resources, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. REUSS: Enclosed is the material on violations and payments you requested during the hearings on October 31, 1973.

Sincerely,

VERN STEPHENS,
Congressional Officer.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., November 8, 1973.

To: Administrator, MESA.
From: Acting Chief, Office of Assessment.
Subject: Settlements for September and October 1973.

In response to your request, we are attaching a tabulation showing the amount of settlement payments by case number that we received from the Solicitor's Office dated September and October 1973, for Consolidation Coal Company and The Pittston Company. We received no settlement payments for Island Creek Coal Company and Peabody Coal Company dated September and October 1973.

The amount shown in the assessment column is the total amount of the final assessment as issued by this office. However, the number of violations sent for adjudication may be substantially less than reflected in the Order of Assessment. Information is not available in this office to furnish a break down of what amount each violation in a specific case forwarded for adjudication was settled for by compromise, whether the amount assessed by this office was paid in full, or whether the violation was vacated.

JOHN W. BARTON.

THE PITTSTON CO.

Case No.	Operator	Settlement amount	OACA assessment	Month	Settlement attorney
76	Jewel Ridge	$2,600	$6,675	October	O'Riordan.
76-1	do	2,650	4,950	do	Do.
84	do	800	1,050	do	Do.
84-2	do	1,100	1,825	do	Do.
84-3	do	900	1,750	do	Do.
115	do	2,000	3,100	do	Do.
115-2	do	995	7,850	do	Do.
125	do	325	1,245	do	Do.
182	do	325	325	do	Do.
228-2	do	270	2,275	do	Do.
281-1 and 2	do	$2,300	$2,675	do	Do.
281	do	275	425	do	Do.
1826-1	Kentland-Elkhorn	125	2,125	do	Do.
1826-2	do	535	3,535	do	Do.
1894	do	625	2,475	do	Do.
1894-1	do	500	2,000	do	Do.
1894-2	do	1,570	5,655	do	Do.
1985	do	1	3,325	do	Do.
2050-1	do	25	100	do	Do.
2050-3	do	4,000	12,475	do	Do.

CONSOLIDATION COAL CO.

Case No.	Operator	Settlement amount	OACA assessment	Month	Settlement attorney
824	Consol	$4,400	$32,000	September	E. Rodzinak.
824-1	do	2,000	3,975	do	Do.
869-1	do	250	3,725	do	Do.
639	do	400	8,900	do	Do.
558-2	do	100	5,525	do	Do.
639-2	do	$2,050	$11,875	do	Do.
900-2	Mountaineer	15	4,585	October	R. Cohen
823	do	550	8,450	do	Do.
823-1	do	1,330	7,250	do	Do.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 11576, the supplemental appropriations bill for fiscal year 1974. Specifically, I strongly support the language appearing on line 5, page 11, making $6.5 million in appropriations for title III of the Economic Development Administration. These funds will be used for planning grants for economic development districts under the Public Works and Economic Development Act of 1965, as amended.

Earlier this year the House agreed to the conference report on H.R. 8916 for the Departments of State, Justice, and Commerce and related agencies. Contained in this conference report was $245 million for activities under the Economic Development Administration. However, no funds were appropriated for the continuing support of the development districts under EDA. The language in this supplemental appropriations bill before us today contains such language.

This program deserves our extended support. Districts are a proven workable tool to deliver the Federal dollar to meet the local need. The organization of these districts has created valuable expertise at the local level to deal with economic ills in areas of our country.

I urge passage of this bill.

Mr. FRASER. Mr. Chairman, title IX of the Older Americans Act, the community service senior aide program, deserves full funding to continue and expand the work of rescuing forgotten older Americans from the scrap heap created by isolation and uncaring disregard. The National Council of Senior Citizens, representing 3 million members, presents a convincing argument that $60

million be included in the supplemental appropriation to provide approximately 25,000 part-time jobs for low-income Americans 55 years and older living in America.

In Minneapolis the Central Labor Union Council sponsors the senior aide program. As the representative of the AFL–CIO Community Services for the Central Labor Council, Ms. Bea Kersten is the project director. It is an outstanding program. I urge my colleagues to provide the necessary funding for title IX Senior aide projects.

Older people need jobs—it has been estimated that there are 4–5 million poor people 55 years and over willing and able to work but who are denied a chance to work because our society has dictated that when individuals pass "middle age," they automatically cease to contribute.

Older people are dedicated workers—under the operation mainstream pilot program, the over-55 workers, known as senior aides, have demonstrated their usefulness in effectively providing community services to old and young through their work at nursing homes, community centers, institutions for the mentally retarded, day-care centers, home visits to the neglected shut-in, and other valuable community services. Training and regaining of confidence are important program components which enable many aides to gain access back to the private labor market.

All communities currently sponsoring a National Council of Senior Citizens Senior Aides program are pleading for more job slots. All Federal moneys disbursed to local projects go directly to older workers with the sponsoring communities paying all administrative costs. At a time when leaders of both political parties are striving to remove the operation of our Government from the isolation of Washington bureaucracies and back into the hands of local officials, this feature alone should warrant continued strong support for the senior aides program.

The potential energy embodied in older workers is being wasted. It should be America's duty to use this talent and experience before it is consumed by poverty and dejection in our working society. Title IX can provide the means to give an older person his last opportunity to serve. Title IX deserves full funding.

Mr. DE LA GARZA. Mr. Chairman, two sentences in the committee reports on H.R. 11576 stand out as if they had been printed in large display type. I quote:

> The Committee is deeply concerned that short supplies of fuel are allocated in a manner which is fair and equitable.

And—

> It is vital that the Federal Government have adequate budget and personnel resources to meet this objective.

Mr. Chairman, the bill as reported proposes an appropriation that, in the best judgment of the Committee, will meet this second objective. It is to the Committee's concern that fuel supplies be allocated in a fair and equitable manner that I turn my attention.

The Committee on Interstate and Foreign Commerce met today in a mark-up session of legislation designed to put into effect steps to meet the energy crisis. This legislation puts restrictions on the sale of gasoline, sets maximum speed limits, bans promotion, display and ornamental lighting, and curtails the use of fuel for general aviation.

The far-reaching effects of this legislation points up the imperative necessity of fair and equitable allocation, with all pertinent factors taken into consideration, of available fuel supplies.

This is a matter of direct and immediate concern to my own district, a heavily agricultural area in South Texas.

Special problems exist. For example, farm producers in my district are many weeks behind schedule because of excessive rainfall in the late summer and early autumn months. Stepped-up operations are essential. They cannot operate, in this emergency situation, on a fuel supply based on what they used in the corresponding period of last year.

Large fields covering thousands of acres must be prepared for February planting of cotton, vital to my district's economy. Mechanized farming of this kind demands large quantities of fuel.

Citrus fruits and winter vegetables are being harvested in south Texas at this time. Such crops, of course, must be harvested when ready—and they are ready now—or they will be lost, go the detriment of producers and consumers alike.

After harvest, these crops must be moved promptly to market by truck transport. Promptly in this case means at once—and for this reason I question the wisdom of extending to commercial transport the ban on Sunday sales of fuel and the setting of the truck speed limit at 55 miles per hour rather than the more efficient 60 miles per hour.

My district is the center of an important cattle-raising industry, and cattle too must be moved to market by truck transport.

The commercial fishing industry, highly important to my area, also must have an adequate supply of fuel in order to continue to operate. This industry is a leading source of low-cost, high-protein food for the American consumer and is a significant positive factor in the U.S. balance of payments. The industry should receive priority in the mandatory fuel allocation program.

The gasoline shortage is a serious blow to the tourist industry which makes a very substantial contribution to the economy of south Texas.

Mr. Chairman, all these factors combine to threaten my area with a severe economic shock. Unless adequate supplies of fuel are made available to our farm operators in particular, their loss will be irretrievable.

The provision of priorities to farmers and ranchers for a 60-day period does not meet the situation. Suppliers in my area are simply telling their distributors that their orders cannot be filled.

That is not acceptable. The increased personnel that H.R. 11576 provides for administration of the fuel allocation program should include—must include—persons who have the gumption and the know-how to go to the petroleum companies with a demand that they take care of priority needs.

This is not being done now. South Texans are flooding my office with reports that suppliers scoff at priority orders for fuel.

Mr. Chairman, if this program is going to work, if it is to be operated without drastic damage to the economy, the petroleum industry must meet its own responsibility to make fuel available where most needed for the general good of the American people.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11576) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage

The previous question was ordered.

The SPEAKER. The question is on the amendments.

The amendments were agreed to.

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

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

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

Mr. SCHERLE Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 295, nays 8, not voting 130, as follows:

[Roll No. 613]

YEAS—295

Abdnor	Brotzman	Davis, S.C.
Abzug	Brown, Mich.	Davis, Wis.
Adams	Brown, Ohio	Delaney
Andrews, N.C.	Broyhill, N.C.	Dennis
Andrews, N. Dak.	Broyhill, Va.	Dent
Annunzio	Burgener	Derwinski
Archer	Burke, Mass.	Dingell
Armstrong	Burleson, Tex.	Dorn
Ashley	Burlison, Mo.	Drinan
Aspin	Burton	Duncan
Badillo	Byron	du Pont
Barrett	Carey, N.Y.	Eckhardt
Bauman	Carter	Edwards, Ala.
Bennett	Casey, Tex.	Edwards, Calif.
Bergland	Cederberg	Erlenborn
Biaggi	Chamberlain	Esch
Biester	Clausen, Don H.	Evans, Colo.
Bingham	Clay	Evins, Tenn.
Blackburn	Cohen	Fascell
Blatnik	Collier	Fish
Boggs	Conable	Fisher
Bowen	Corman	Flood
Brademas	Coughlin	Flynt
Brasco	Cronin	Foley
Bray	Culver	Ford, Gerald R.
Breaux	Daniel, Dan	Ford, William D.
Breckinridge	Daniel, Robert W., Jr.	Forsythe
Brinkley	Daniels, Dominick V.	Fountain
Brooks		Fraser
Broomfield		Frelinghuysen

Frenzel	McKay	Sarbanes
Frey	McKinney	Satterfield
Froehlich	Madden	Scherle
Gaydos	Madigan	Schneebeli
Gettys	Mahon	Schroeder
Giaimo	Mallary	Seiberling
Gilman	Mann	Shipley
Ginn	Maraziti	Shoup
Gonzalez	Martin, Nebr.	Shriver
Goodling	Martin, N.C.	Sisk
Gray	Mathias, Calif.	Skubitz
Green, Oreg.	Matsunaga	Slack
Green, Pa.	Mayne	Smith, Iowa
Gubser	Mazzoli	Smith, N.Y.
Gude	Meeds	Spence
Guyer	Mezvinsky	Stanton,
Haley	Miller	J. William
Hamilton	Minish	Stanton,
Hammer-	Mink	James V.
schmidt	Minshall, Ohio	Steed
Hanna	Mitchell, Md.	Steele
Hanrahan	Mitchell, N.Y.	Steelman
Hansen, Idaho	Moakley	Steiger, Wis.
Hansen, Wash.	Mollohan	Stratton
Harrington	Montgomery	Stubblefield
Harvey	Moorhead,	Stuckey
Hastings	Calif.	Studds
Hawkins	Moorhead, Pa.	Sullivan
Hébert	Morgan	Taylor, N.C.
Hechler, W. Va.	Mosher	Teague, Calif.
Heckler, Mass.	Moss	Teague, Tex.
Heinz	Murphy, N.Y.	Thompson, N.J.
Henderson	Natcher	Thomson, Wis.
Hicks	Nedzi	Thone
Hinshaw	Nix	Thornton
Hogan	Obey	Tiernan
Holifield	O'Brien	Towell, Nev.
Holt	O'Hara	Treen
Holtzman	Parris	Udall
Horton	Passman	Ullman
Hosmer	Patten	Vander Jagt
Howard	Perkins	Vanik
Huber	Pickle	Veysey
Hungate	Pike	Vigorito
Hunt	Powell, Ohio	Waggonner
Hutchinson	Preyer	Walsh
Ichord	Price, Ill.	Wampler
Johnson, Calif.	Pritchard	Ware
Johnson, Colo.	Randall	Whalen
Jones, Ala.	Rees	White
Jones, N.C.	Regula	Whitehurst
Jones, Okla.	Reuss	Whitten
Jones, Tenn.	Rhodes	Widnall
Jordan	Riegle	Williams
Kastenmeier	Rinaldo	Wilson,
Kazen	Roberts	Charles H.,
Kemp	Robison, N.Y.	Calif.
Ketchum	Rodino	Wilson,
Koch	Rogers	Charles, Tex.
Kuykendall	Roncalio, Wyo.	Winn
Kyros	Rooney, Pa.	Wolff
Latta	Rose	Wright
Leggett	Rosenthal	Yates
Long, La.	Roush	Yatron
Long, Md.	Rousselot	Young, Fla.
McClory	Roy	Young, Ga.
McCloskey	Roybal	Young, Ill.
McCollister	Runnels	Young, Tex.
McCormack	Ruppe	Zablocki
McDade	Ruth	Zion
McEwen	Sandman	
McFall	Sarasin	

NAYS—8

Ashbrook	Gross	Shuster
Collins, Tex.	Landgrebe	Symms
Conlan	Rarick	

NOT VOTING—130

Addabbo	Collins, Ill.	Grover
Alexander	Conte	Gunter
Anderson,	Conyers	Hanley
Calif.	Cotter	Harsha
Anderson, Ill.	Crane	Hays
Arends	Danielson	Helstoski
Bafalis	Davis, Ga.	Hillis
Baker	de la Garza	Hudnut
Beard	Dellenback	Jarman
Bell	Dellums	Johnson, Pa.
Bevill	Denholm	Karth
Boland	Devine	Keating
Bolling	Dickinson	King
Brown, Calif.	Diggs	Kluczynski
Buchanan	Donohue	Landrum
Burke, Calif.	Downing	Lehman
Burke, Fla.	Dulski	Lent
Butler	Eilberg	Litton
Camp	Eshleman	Lott
Carney, Ohio	Findley	Lujan
Chappell	Flowers	McSpadden
Chisholm	Fulton	Macdonald
Clancy	Fuqua	Mailliard
Clark	Gibbons	Mathis, Ga.
Clawson, Del	Goldwater	Melcher
Cleveland	Grasso	Metcalfe
Cochran	Griffiths	Michel
Milford	Quillen	Stephens
Mills, Ark.	Railsback	Stokes
Mizell	Rangel	Symington
Murphy, Ill.	Reid	Talcott
Myers	Robinson, Va.	Taylor, Mo.
Nelsen	Roe	Van Deerlin
Nichols	Roncallo, N.Y.	Waldie
O'Neill	Rooney, N.Y.	Wiggins
Owens	Rostenkowski	Wilson, Bob
Patman	Ryan	Wyatt
Pepper	St Germain	Wydler
Pettis	Sebelius	Wylie
Peyser	Sikes	Wyman
Poage	Snyder	Young, Alaska
Podell	Staggers	Young, S.C.
Price, Tex.	Stark	Zwach
Quie	Steiger, Ariz.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Arends.
Mr. Rooney of New York with Mr. Devine.
Mr. Rostenkowski with Mr. Anderson of Illinois.
Mr. Fulton with Mr. Dellenback.
Mr. McSpadden with Mr. Cleveland.
Mr. Fuqua with Mr. Goldwater.
Mr. Boland with Mr. Burke of Florida.
Mrs. Chisholm with Mr. Danielson.
Mr. Bevill with Mr. Harsha.
Mr. Diggs with Mr. Brown of California.
Mr. Macdonald with Mr. Del Clawson.
Mrs. Grasso with Mr. Grover.
Mr. Mills of Arkansas with Mr. Bafalis.
Mr. Cotter with Mr. Findley.
Mr. Karth with Mr. Hillis.
Mr. Stark with Mrs. Collins of Illinois.
Mr. Kluczynski with Mr. Hudnut.
Mr. Metcalfe with Mr. St Germain.
Mr. Symington with Mr. Stokes.
Mr. Nichols with Mr. Butler.
Mr. Conyers with Mr. Waldie.
Mr. Gunter with Mr. Johnson of Pennsylvania.
Mr. Owens with Mr. Baker.
Mr. Landrum with Mr. Crane.
Mr. Melcher with Mr. Camp.
Mr. Rangel with Mr. Anderson of California.
Mr. Alexander with Mr. Dickinson.
Mrs. Griffiths with Mr. Coughlin.
Mr. Hanley with Mr. Beard.
Mr. Hays with Mr. Eshleman.
Mr. Jarman with Mr. Clancy.
Mr. Roe with Mr. King.
Mr. Pepper with Mr. Bell.
Mr. Reid with Mr. Conte.
Mr. Staggers with Mr. Lent.
Mr. Stephens with Mr. Buchanan.
Mr. Eilberg with Mrs. Burke of California.
Mr. Addabbo with Mr. de la Garza.
Mr. Carney of Ohio with Mr. Flowers.
Mr. Chappell with Mr. Lott.
Mr. Litton with Mr. Gibbons.
Mr. Mathis of Georgia with Mr. Lujan.
Mr. Clark with Mr. Lehman.
Mr. Davis of Georgia with Mr. Nelsen.
Mr. Denholm with Mr. Mailliard.
Mr. Murphy of Illinois with Mr. Pettis.
Mr. Van Deerlin with Mr. Michel.
Mr. Ryan with Mr. Myers.
Mr. Donohue with Mr. Peyser.
Mr. Sikes with Mr. Mizell.
Mr. Patman with Mr. Quie.
Mr. Dulski with Mr. Dellums.
Mr. Podell with Mr. Price of Texas.
Mr. Milford with Mr. Quillen.
Mr. Downing with Mr. Railsback.
Mr. Robinson of Virginia with Mr. Roncallo of New York.
Mr. Sebelius with Mr. Snyder.
Mr. Talcott with Mr. Steiger of Arizona.
Mr. Taylor of Missouri with Mr. Wiggins.
Mr. Bob Wilson with Mr. Zwach.
Mr. Wyatt with Mr. Young of South Carolina.
Mr. Wydler with Mr. Young of Alaska.
Mr. Wyman with Mr. Wylie.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and to extend their remarks on the bill just passed, and that I may include tables and other extraneous material.

And also, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the defense appropriation bill passed earlier today and that I may include tables and other extraneous material.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I ask to proceed for 1 minute for the purpose of asking the distinguished majority whip the program for the remainder of the week, if any, and the schedule for next week.

Mr. McFALL. Mr. Speaker, if the distinguished majority leader will yield to me, I will be happy to respond.

Mr. GERALD R. FORD. I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, there is no further legislative business for today, and upon the conclusion of the program for next week I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the next week is as follows:

Consent Calendar is on Monday, and in addition we will have 14 bills under suspension of the rules, as follows:

H.R. 4864, Scenic Rivers Act amendment;

H.R. 9492, Add Chattooga River to Scenic Rivers System;

H.R. 11546, Big Thicket, Tex., National Preserve;

S. 2641, U.S. district court jurisdiction;

H.R. 11441, Headstart fee schedule postponement;

S. 1101, Child Abuse Prevention and Treatment Act;

S. 2673, Attorney General's compensation;

H.R. 11710, compensation for Attorney General and use of franking privilege;

H.R. 9437, International Trade Act;

House Resolution 605, statutary hall markers;

House Joint Resolution 736, sound and light show for U.S. Capitol;

S. 1776, Water Pollution Control Act amendment;

H.R. 11372, conserve energy on Nation's highways; and

H.R. 11565, conserve energy in Federal buildings.

On Tuesday, we will have the Private Calendar and we will have three bills under suspension of the rules, as follows:

H.R. 8529, implement shrimp agreement with Brazil;

H.R. 6074, fishing in territorial waters; and

House Concurrent Resolution 173, U.S. fishing industry.

We will also consider on Tuesday S. 1443, foreign aid authorization conference report; H.R. 7130, Budget and Impoundment Control Act, under an open rule, with 3 hours of debate, general debate only.

On Wednesday we have H.R. 8877, Labor and HEW appropriations, fiscal year 1974, conference report; and we will then return to H.R. 7130, Budget and Impoundment Control Act, for votes on amendments and bill.

On Thursday, we have a House resolution for the nomination of the Honorable GERALD R. FORD as Vice President, subject to a rule being granted.

On Friday, we will have H.R. 9107, Federal retirement annuities, under an open rule, with 1 hour of debate.

Also, we will consider H.R. 11088, emergency security assistance to Israel and Cambodia, subject to a rule being granted.

In addition, we will have the foreign aid appropriations for fiscal year 1974.

Of course, conference reports may be brought up at any time, and further program will be announced later.

ADJOURNMENT TO MONDAY, DECEMBER 3, 1973

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I am looking at the schedule, the suspension schedule for Monday. We have House Joint Resolution 736, to provide, I suppose, for a sound and light show for the U.S. Capital, to be followed by H.R. 11565, to conserve light in Federal buildings.

I wonder, should those be considered on the same day?

Mr. McFALL. Mr. Speaker, if the gentleman will yield, I point out to the gentleman that the resolution concerning the sound and light show for the U.S. Capitol is not an authorization other than a study of whether or not we should do it. It is entirely possible, as the gentleman suggests, at that time we may not have the light and energy for that purpose, but I do think we ought to look into whether or not we ought to do it and determine whether or not we will have the energy at that time.

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

Now, with respect to the program on Tuesday, referring to H.R. 6074 and other suspensions, could that be a mistake in spelling? It says, "Fishing in Territorial Waters."

Could that possibly be "Fishing in Troubled Waters"?

Mr. McFALL. Well, I would respond to the gentleman that I have looked at it and I have asked the staff of the majority leader, and they assure me that the spelling is correct.

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

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

HOUR OF MEETING ON THURSDAY, DECEMBER 6, 1973

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday next, it adjourn to meet at 10 o'clock a.m. on Thursday, December 6, 1973.

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

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES ON THURSDAY, DECEMBER 6, 1973

Mr. McFALL. Mr. Speaker, I ask unanimous consent that on Thursday, December 6, 1973, the Speaker may be authorized to declare recesses, subject to the call of the chair.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESAY BUSINESS ON WENESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

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

There was no objection.

PERSONAL EXPLANATION

Mr. DUNCAN. Mr. Speaker, on rollcall 470, on September 20, 1973, and on rollcall No. 587, on November 15, 1973, I am recorded as not voting.

I was present and put my card in the electronic machine. It apparently did not receive it.

The record will show that I voted on other issues before and after that vote was recorded.

PRESIDENT NIXON'S GIFT OF PRE-PRESIDENTIAL PAPERS TO NATIONAL ARCHIVES

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

Mr. MEZVINSKY. Mr. Speaker, I have written Mr. Arthur F. Sampson, Administrator of the General Services Administration, asking that he furnish me with information which I hope will answer some of the questions which have been raised about President Nixon's gift of pre-Presidential papers to the National Archives.

The gift of those papers and Mr. Nixon's declaration of a substantial income tax deduction in relation to the gift have been the source of serious questions.

Some observers contend that the gift may not to this day be legally executed. But, the central question is whether it was executed prior to July 25, 1969, the effective date of a change in the IRS regulations which limited to negligible amounts the value of the papers in terms of a charitable tax deduction. We know that the President claimed a massive charitable deduction based on the gift, a deduction which resulted in his paying only nominal taxes in 1970 and 1971 on his $200,000 annual salary and any additional income he may have received. Questions concerning the timing and validity of the gift have raised doubts as to whether the President was entitled to these deductions.

The suspicions surrounding the gift and the taxes have become another festering wound, gnawing at the diminishing faith in the President. Despite the Operation Candor project, the nagging and unanswered questions seem to intensify almost daily.

In my attempt to secure some of the necessary answers, I am sending to President Nixon a copy of my letter to Mr. Sampson. I am hopeful that the President will shed what light he can on these issues because I believe it is imperative that the public receive full and satisfactory answers.

I have also asked Mr. Sampson when, prior to December 15, I may inspect the papers which are included in the gift. In addition to answers to the questions raised about this gift, I want to see for myself what the public received in exchange for the President's tax deductions.

The letter follows:

NOVEMBER 29, 1973.

ARTHUR F. SAMPSON,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. SAMPSON: Many questions have been raised about both the propriety and legality of President Richard M. Nixon's declaration of substantial tax deductions resulting from the gift of his pre-presidential papers to the public. As you know, these questions center on the validity of the gift under IRS sec. 170(e)(1)(A).

Because GSA is so closely involved with this gift, I believe you can shed a good deal of light on this issue by detailing GSA's role in the process. For this reason, I would appreciate your prompt response to the following questions:

It has been reported that the deed of gift for the papers in question has not yet been signed by an appropriate representative of GSA. Is this correct? If so, what considerations have led to this long delay? When was the deed of gift received by GSA? If the deed has been signed by a GSA representative authorized to accept the gift of the papers, when was this done? Does GSA consider the signature of the deed of gift a pre-requisite for final legal acceptance of a gift? Has President Nixon or a representative with his power of attorney signed the deed? Please furnish me with a copy of the deed and the Schedule A.

I am also concerned by reports that, although carton upon carton of Nixon pre-presidential papers may have been delivered to the National Archives prior to July 25, 1969, the GSA was not notified until at least early 1970 as to the specific papers included in the gift. Are these reports correct? I understand that the specific papers included in the President's gift are listed in a Schedule A which is attached to the deed. When

was this Schedule A delivered to GSA? Prior to the receipt of Schedule A, was GSA storing the papers for the President or had ownership of the specific papers been transferred to the public? Is GSA now in possession of all papers included in the gift?

Did GSA have any control over which documents, from among those delivered to the Archives prior to July 25, 1969, were included in the gift? I am aware that it is a common practice for public figures to give their personal papers to the public. What is the standard GSA procedure for accepting such documents? Does GSA accept all papers that are offered or do you selectively choose those with historical significance?

Did GSA take upon itself the responsibility of assuring the validity of the deed of gift to insure the public's continued dominion over the papers included in the gift?

It has been reported that Mr. Nixon has sole control over who may have access to the documents included in the gift. Is this the case? If so, for how long is Mr. Nixon authorized to exercise such authority? How do restrictions on the Nixon papers compare to restrictions, if any, on documents bestowed by Mr. Nixon's predecessors?

I would appreciate receiving an explanation of how the Nixon papers are catalogued as well as a list of those who have been granted access to the papers and for what reasons access was granted.

Please inform me as to a date prior to December 15th when I may inspect the papers.

I realize that I have asked a good number of questions, but, as you know, the questions about this gift far outnumber the answers.

I would appreciate your prompt response.

Sincerely,

EDWARD MEZVINSKY.

INCOME TAX DEDUCTIONS FOR GIFTS

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

Mr. CEDERBERG. Mr. Speaker, I listened with interest to the gentleman from Iowa and I would think if this is going to be the situation that all Members of the Senate and of the House who will avail themselves of the same kind of income tax deduction for the same purpose should also reveal similar information.

CHILEAN REJECTION OF U.S. ATTACHÉ

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

Mr. FASCELL. Mr. Speaker, this morning's Washington Post carried a very disturbing report that the Chilean Government allegedly has indicated the unacceptability of a proposed U.S. Army attaché on the grounds that he is black. While the article suggests that the facts in this case are not yet clear, it is essential that we learn exactly what transpired.

The Chilean Government is already suspect in the eyes of many Americans due to numerous reports of mass violations of human rights in the wake of the September 11 coup.

The U.S. Government has expressed its concern about these reports and it is clear that Chilean respect for human rights will be and must be a factor in determining U.S. policy toward Chile. Similarly, any indications that Chile may be embarking on a racist policy must be a matter of the highest concern to our policymakers.

For my part, as chairman of the Inter-American Subcommittee, I intend to make immediate inquiries to appropriate government agencies aimed at finding out exactly what has happened.

The Washington Post article to which I referred follows:

BLACK U.S. ATTACHÉ BLOCKED: CHILE REPORTEDLY REJECTED ARMY DECISION

(By Michael Getler and Austin Scott)

The reported rejection by the Chilean government of a black U.S. Army colonel to serve as a military attaché in that country has touched off a behind-the-scenes flap involving the Army, Defense Department and State Department.

According to authoritative sources on Capitol Hill and in the Pentagon, Col. T. M. Gafford was recommended by the staff of the Joint Chiefs of Staff to take an Army attaché post with the U.S. military mission in Chile.

A subsequent message to Washington from the commander-in-chief of the U.S. Southern Command in Panama—Gen. William B. Rosson—reported that Chile had turned Gafford down, allegedly because of his race.

The Rosson message—sent via the so-called "back channel" normally used for secure diplomatic messages—described the situation as sensitive. The message said, according to sources, that Rosson's command had been informed by the U.S. team in Chile that Gafford was not acceptable to the Chilean government because of its racial policies.

When word of the situation leaked out, some senior military and civilian officials tried to find out if the Chilean government had in fact expressed these reservations, or whether someone in the U.S. embassy or military mission thought it wasn't a good idea for some reason to send a black officer.

In response to inquiries, the Pentagon late yesterday would only confirm that "the U.S. mission dispatched the message declining the nomination" of Gafford.

A Pentagon spokesman said, however, that he was "not aware at this distance just what discussions if any might have taken place with the Chilean government." This leaves open the question of who initiated Gafford's rejection.

The spokesman also confirmed that a white officer had been sent to Chile.

Some Pentagon officials say privately that they have received assurances through Army channels from Rosson that it was the Chilean government and not the U.S. mission in Chile that raised the objections to Gafford.

A political officer at the Chilean embassy in Washington, asked about the incident yesterday, said it was the first he had heard about it, and that he felt certain the information was inaccurate because his government does not have anti-black policies.

Both a deputy assistant secretary of defense and a deputy chief of staff of the Army were known to have asked for details on the situation yesterday from the Pentagon office of Robert C. Hill, assistant secretary of defense for international security affairs. Hill has served as ambassador to three South and Central American countries.

The situation has angered the small number of military and civilian officers who know about it.

"If it is the country that said they didn't want him," said one official, "then the State Department has an obligation to stand fast and tell them we don't recognize that kind of stuff. The colonel is a representative of the U.S. government, and we even got South Africa to accept a black American diplomat."

At this point, however, "no one here really knows the source of the idea," another officer adds. "Did Chile say it because of their policies, or did someone put them up to it? There are so many different, subtle ways to get that done."

After the Chilean incident, Gafford—an infantry officer—was recommended to serve in Colombia. After initially accepting the recommendation but before Gafford arrived, sources say, the Colombians decided they would rather keep the incumbent attaché, a white officer, supposedly on the grounds that he had the military specialty—artillery—most of interest.

But these sources say the Army assures them that the current officer serving in Colombia will not stay there, and that another black officer with the artillery specialty will be recommended. Pentagon sources were not at all certain at this point that the alleged initial Colombian decision involved racial considerations.

Over the years, both Chile and Colombia have received substantial amounts of free U.S. military equipment and assistance.

THE ENERGY CRISIS: NO JUSTIFICATION FOR SURPRISE

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Illinois (Mr. PRICE) is recognized for 3 minutes.

Mr. PRICE of Illinois. Mr. Speaker, I would like to dispel a notion which is being widely circulated these days to the effect that the so-called energy crisis, which we are now just beginning to experience, was unpredicted in this country. From my own experience in the Congress, and as a charter member of the Joint Committee on Atomic Energy since its establishment over 27 years ago, I can assure you that this is just not so. From my own experience I can relate to you how much thought and planning did go into certain aspects of our efforts. Of course, I must also mention where our efforts and our plans fell short.

One of our most important problems has been an inability until just recently to gain the public's interest and attention to the energy problem. We on the joint committee have certainly tried and are continuing our efforts in this respect. We have published many dozens of documents on this matter over the past 20 years and we have worked with the media to the extent of our available time. The public is just not accustomed to recognizing the need to take action on situations with the long lead times which are necessary in fields such as energy. In the development of energy sources, the unit of time which is significant, unfortunately, is a decade—not a month or year, which is probably the most meaningful time frame in the minds of the general public. Most regrettably, we are now at the point where pain is being felt from the shortage of energy. And, further, the elimination of the problem after it has been allowed to develop to that point will, of course, require the same decade of leadtime.

For the many Members of Congress who have recently become interested and concerned with energy, I would like to relate what broad consideration has been given to this problem. I believe that summary of the Joint Committee's considerations of energy matters over more than two decades will show just how long the developing energy problem was under

review. Let me relate some specific developments from history to illustrate this point.

INTERNATIONAL ASPECTS OF ENERGY

I would like to start with the international aspects of the energy problem. The international situation as it relates to energy has certainly escalated in recent days beyond our original expectations.

The Joint Committee has always consideration energy development matters on an international basis. One of the basic studies of the committee, which included international aspects, was the 1955–56 study entitled "Peaceful Uses of Atomic Energy." This study was performed with the help of leaders of Government, industry and labor. Extensive consideration was given to the various energy sources in relation to each other. The best data available was published on world crude oil production and reserves, along with "use estimates" of the various countries. It is interesting to compare these estimates of nearly two decades ago with what has happened. One thing that really stands out is that energy uses have been consistently underestimated.

Another comprehensive up-dated review of the international aspects of energy was conducted by the Joint Committee in 1960. The five-volume report resulting from this review provides an excellent background of the international aspects of all forms of energy including nuclear energy. Of course, the committee regularly has to take international energy factors into consideration on each of our cooperative programs with foreign nations for the supply of U.S. produced nuclear fuel. Sales of nuclear fuel are increasing rapidly and will very probably be a major source of funds to offset trade inbalances for our nation.

CONSIDERATION OF ADVANCED ENERGY SYSTEMS

In recent years, much attention and publicity has been given to advanced energy systems—including some very exotic concepts. Many of the proponents of certain of these systems promise panaceas in the near future if attention is given to them. Some of these advanced systems must and are being given attention since they eventually will have to help in supplying the energy we need. The Joint Committee has always tried to keep in mind all near and long-term potential energy sources. We did not want to act in a vacuum in carrying out our responsibilities for energy development. In this respect, for example, I recall our hearings on "Frontiers on Atomic Energy Research" in August 1960. We also published a special report on these hearings.

In these hearings we studied methods of recovery of energy fuels from shale, solar energy systems, upgrading of energy fuels from coal, advanced energy conversion systems such as direct conversion, fuel cells, thermionics, magnetohydrodynamics, and so forth, in addition to nuclear energy sources.

The data we developed in these hearings guided the Committee in its subsequent actions on what energy development programs justified the Nation's support.

COAL RESEARCH

In all of its considerations of energy, during a period which has spanned some three decades, the committee has given special consideration to coal since it was recognized as our most plentiful and most important developed energy source. Its increased use, particularly in the near term, is essential. The entire civilian nuclear power program was laid out in the late 1950's and early 1960's with special reference to coal as a prime domestic energy source. I will discuss the development of our nuclear program in greater detail later.

The committee, in recognition of the vital importance of coal, saw the need for upgrading this energy source. Cooperative efforts were started in the 1950's between the Bureau of Mines and the AEC on the production of gas from coal utilizing process heat and irradiation.

In the latest authorization bill for the AEC, the committee recommended, and the full Congress approved, the addition of a project for the development of a very high temperature reactor as a possible source of process heat for producing high grade fuels from coal. Regrettably, the funds for this project are being held up in the OMB. This is most unfortunate since, as we found out in the nuclear field, real hardware type experiments are required if significant progress is to be made. In the field of coal development we will also require large scale prototype plant development projects which, unfortunately, have not been funded. The approach to this problem must change.

There is one specific project concerning better utilization of coal which should receive attention immediately. This concerns a prototype demonstration project of the type I referred to above. The AEC has laid out a project to modify one of the six coal-fired plants at Clifty Creek in Indiana to demonstrate a process for making a clean liquid fuel from coal which then would be used to fire the boilers at this station. This station supplies electrical energy to the Government's uranium enrichment plant at Portsmouth, Ohio. The coal liquefication process, as it is called, has been developed to the point at which the next step should be a large scale demonstration plant. Fully realizing the final demonstration project will cost on the order of $100 million, experience has clearly demonstrated that such an approach is the only way we can make meaningful progress in such fields.

One of the most critical immediate routes to the solution of our energy problem is the development of better ways to use coal. We have the basic resources. We have the coal and we have developed the processes for converting it into gaseous and liquid fuels on a bench-scale basis. What we must now do is complete the prototype plant phase and then put such plants into large scale commercial use.

ENVIRONMENTAL CONSIDERATIONS

To many concern about the environment is also considered to be a new factor in our society. This again is not true as I can tell you from my decades of work in the energy field. In the nuclear field the health and safety factors have always been prime areas of concern. Of course, our efforts have paid off since the record provides factual evidence of the outstanding safety of nuclear activities. Our efforts were the first to recognize and to do something about the need for standards on environmental releases. As a result, we now have meaningful and measurable standards for effluent releases in the nuclear energy field.

We also have used nuclear techniques to help understand and control environmental effects in other fields. Included in these efforts has been the use of radioactive isotopes to better understand systems of using our important fossil energy fuels and to better understand diffusion of combustion products in the environment.

We also have always considered environmental factors in the energy field across the board. For example, the Committee's comprehensive review of environmental matters in the late 1960's provides a standard reference on the relative environmental effects associated with the generation of electrical energy in all ways. Our hearing record from this review, which is entitled, "The Environmental Effects of Producing Electric Power, 1969," covers all fossil and nuclear fueled electrical generating systems. We have been told that the record of these hearings is a basic source of information on environmental effects.

BROADENING THE R. & D. SCOPE OF THE AEC

Another field which has given the Joint Committee concern over the years was the best utilization of our technical resources and talents to solve our growing energy and environmental problems. Improper or inadequate utilization of our national resources to solve national problems was, in our view, unconscionable.

In 1970 and 1971, in recognition of the facilities and talents the country has in the National Laboratories of the AEC and recognizing the growing seriousness of the energy problem, the Congress broadened the charter of the AEC to include nonnuclear energy research and development. Since then the AEC has been doing more nonnuclear work in fields such as battery development, electrical transmission development, and development of better methods of rejecting heat in thermal cycles. In this year's authorization bill the Congress added solar energy and geothermal work to the nonnuclear development program of the AEC. Unfortunately, delays have occurred in the allocation of funds for this work in the executive branch.

DEVELOPMENT OF A NUCLEAR ENERGY PROGRAM

In the past year or so some people have started to say that we don't need supplemental energy systems and, in particular, we do not need nuclear energy. Hearing such comments takes me back about 15 years. It is rather disappointing that we have to rehash the same considerations over and over again. What the potential role of nuclear energy should be was a basic question in the minds of the Joint Committee in the 1950's. I believe it would be of value to briefly relate what considerable thought was given to this question and how we disposed of it.

In the late 1950's, after the technical feasibility of nuclear power for the civilian sector was established, the committee faced up to the question of what should be done next. I recall vividly the question with which the Joint Committee struggled. It was quite simple: Do we need nuclear power? The committee knew the next step for realizing the peacetime application of nuclear energy for the purpose of power generation was the development and introduction into the utility systems of nuclear powerplants which were safe, reliable and economic. But the committee also knew it was essential that the determination of need be made before proceeding on the next expensive step.

As I have said, the question was simple. The answer was not so simple. We soon found that it was not easy to take the next step and make this determination. There was controversy. Those in industry who had developed an interest in nuclear power appeared to resent the question even being asked. Competitors in the energy fuels business strongly opposed Government support of the development of nuclear energy.

In short, the position of the Joint Committee on Atomic Energy that an answer was necessary to this simple, but important, question was unpopular. But the committee persisted and insisted that the administration and industry provide a clear-cut answer to the question of whether nuclear power was indeed needed by the Nation. It was unthinkable for our committee to recommend and Congress to authorize large sums of money for the development of nuclear power unless it was truly needed and promised to be beneficial to this country as a whole. As a consequence of all our past studies of national and international aspects of energy, we knew the magnitude of our coal, petroleum, and hydro resources. We were told by some, for example that our supply of energy fuels in the form of coal was inexhaustible. Obviously, the problem required serious investigation if it was to be disposed of rationally.

The study of this question resulted in the 1962 Report to the President on Civilian Nuclear Power. The study group—AEC, Interior, FPC and NAS—found that for the long range there was no practical alternative to nuclear energy for meeting our energy requirements. That represented the combined effort of the responsible agencies of the Government and organizations and individuals outside of Government. A thorough review was made of all energy sources. The need for energy, the alternative sources of energy then in existence and the feasibility of developing new sources of energy were key matters considered in the study.

There was unanimous agreement that we were rapidly approaching a time when the production of fossil fuels would be "peaking out." As a matter of fact, in the case of U.S. domestic oil production, it was projected that the decrease would commence in 1970 and indeed history has proved this to be correct.

The committee then made the report available to the public for study. We subsequently held extended hearings on the study in February and April of 1963. We obtained testimony from everyone that had anything to offer on the question. All of the data developed in the hearing was also made public. The testimony which we heard made clear that there was a need for alternate sources of energy and further that the only practical source of supply to meet our long-term energy needs was nuclear energy.

Now some 10 years since that extensive review, nuclear power plants generate about 6 percent of the total electrical energy in our Nation. There are, however 57 large nuclear plants under construction which will be coming on line during the next several years. Further, 89 additional nuclear plants are planned for construction by the utilities throughout this country. It is expected that by the year 1980, we will have 132,000 megawatts of nuclear power on the line. By the year 2000, more than one half of the electric generating capacity of this Nation is expected to be provided by nuclear power plants. In considering the future role of nuclear power, it must be remembered that it takes considerable time to design, license, construct and check out a large nuclear powerplant—8 to 10 years under our present system. This situation should be improved upon and we must find a way so that the time can be reduced to 6 or 7 years without sacrificing any considerations of public safety or environmental impact.

Initially the major contribution from nuclear power to our electric generating capacity will come from light water nuclear reactors. Toward the end of this century we expect to see commercial "breeder" reactors being constructed and operated on utility systems. The "breeder" reactor is a high priority development program of the Atomic Energy Commission. This reactor produces more nuclear fuel than it consumes and it has been predicted that successful development of commercial breeder reactors, will, in effect, multiply our uranium resources by 60 to 70 times. It is indeed fortuitous that there were those in Government, in industry, and in the public at large who had the vision to initiate the program of nuclear power development. Because of their vision we have a new energy source—a clean source—at this time when energy supplies are critical.

I am not suggesting that nuclear power alone will provide any quick and easy solution to our national energy dilemma. It is clear, however, that nuclear power has a significant contribution which it can make. Bear in mind that a single 1-million-kilowatt nuclear powerplant operating for 1 year provides an amount of electrical energy which if produced by an oil-fired plant would require the burning of about 12 million barrels of oil.

The principal observation which I would like to make at this time is that there were many of us who foresaw the energy crisis developing in this country. We saw it in our 1963 hearings. Further, we have been updating our information each year on the subject of energy resources and conversion systems. We recognized the need for pursuing nuclear energy. We voted funds and supported critical development programs. As a consequence, the civilian nuclear power program in this country is well underway and should provide a significant energy source capable of producing safe, reliable electric power without polluting the environment.

RECENT REPORTS OF ENERGY PROBLEMS

As I stated at the beginning of my remarks, one of the difficulties we have encountered—perhaps our major roadblock to the solution of the energy problem—has been the failure to obtain adequate public understanding early enough. Needless to say, all of us are giving this matter much more attention now.

Earlier this year in light of the growing public concern about our energy problem, I directed that the Joint Committee staff compile the latest data on energy. I wanted to develop as simple an analysis as possible of our national energy problem to help the lay public obtain a better understanding of what we face and what must be done.

The report was compiled, which is entitled "Understanding the National Energy Dilemma" has already become a bestseller. It has gone through two printings this year already. Fortunately, such public-spirited organizations as the Center for Strategic and International Studies of Georgetown University and the University of Houston have reproduced our report using commercial artwork to add greatly to the public appeal of the report. The center has already distributed 10,000 copies and 35,000 additional copies are planned for the next printing. Through these additional outlets, the public is becoming better apprised every day of the problems we must solve.

I might add that the basic data we have included in our report does not differ in any significant respect from that which we developed in the early 1960's, when we looked into the broad aspects of our energy supply situation, and on this basis, laid out our nuclear program. I'm referring primarily to the predictions over 10 years ago that our domestic petroleum industry would peak out in 1970. This is exactly what happened. The data presented in this recent report do point up a couple of developments we did not fully foresee when we laid out our program over 10 years ago. One is the greater growth of energy usage than we had estimated. The other is the unforeseen restrictions which have been placed on the use of our primary fossil fuel—coal—for environmental reasons. Of course, the sudden interruption of foreign petroleum supplies also aggravated the problem.

THE FUTURE

In conclusion, looking at the voluminous record which has been developed by only one committee of Congress—the Joint Committee on Atomic Energy—it is apparent that arequate notice was available to take corrective actions. I restrict my comments to the Joint Committee because of my direct participation in its deliberations on energy matters over the past 27 years. The developing international situation on energy

fuels, the peaking out of production of conventional domestic fuels, the need for supplemental sources, and the specific choices available were clearly laid out. The one thing there may have been some argument about is the precise time a certain condition would occur or when a particular source of energy would be needed. But the basic factors were all clearly identified and only the precise year of each event was fuzzy. Still over 10 years ago we had the information that certain additional amounts of energy would be needed within periods of a couple of years. Considering the vital nature of adequate supplies of energy, that analysis should have been close enough for us to have done what was necessary to keep shortages from developing. In light of the critical nature of energy to our welfare any vagueness in the timing should have been solved by erring on the side of being too soon with adequate supplies of energy. Unfortunately, our actions are not always that logical.

Now we must do what we can to recover the time we have lost. For the near term, in addition to conservation in our uses of energy, we must utilize to the maximum extent possible our largest resource of fossil fuel, which is coal, and also take maximum advantage of our leadership in the nuclear field.

Those of us who have been involved with energy matters know full well that the subject has certainly been adequately studied. Perhaps there has been too much study and not enough action. Too much rhetoric and not enough implementation. I recall CHET HOLIFIELD'S remarks of some 10 years ago to the then President's Science Adviser that the "way to kill a program is to study it to death." Fortunately the administration—working with the Congress—is at long last taking some concrete steps—particularly in terms of trying to prevent a major catastrophe this coming winter. With some real luck from Mother Nature, we should survive this winter without too many adverse effects.

But we also must take action for the mid- and longer term—again recognizing the long leadtimes which I earlier referred to. In my view, the following actions would be of substantial benefit:

First. We need to move forward with the establishment of a single Energy Research and Development Agency—ERDA—to combine all of our energy R. & D. efforts in one agency. The bill I cosponsored with the chairman of the House Government Operations Committee could accomplish this objective.

Second. We need to provide adequate resources—in terms of funds, people, and facilities—to this new Agency to permit it to carry out its mission in a timely manner. While we can afford as a nation to devote considerable attention to advanced energy systems, the primary priority should be on those assured fossil and nuclear programs which we can depend on to help meet our future energy needs.

Third. We must find and implement ways to speed up the construction process for all types of power generating facilities—without in any way sacrificing safety or our efforts to improve the environment.

Fourth. We need to set aside jurisdictional differences—both within the executive and legislative branches—in the energy field and get on with solving the real problems. We can no longer afford the luxury of such arguments.

In sum, all of the principal factors concerning our energy supply situation have been identified and made available to the public. The only way we can be surprised again is if we again ignore the facts and the warning signals. We probably will not be allowed one more mistake of omission.

THE ENERGY CRUNCH IS REAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. WYMAN) is recognized for 30 minutes.

Mr. WYMAN. Mr. Speaker, recently, I was privileged to have a rather extensive meeting with the Secretary of the Interior, Rogers Morton, on the subject of energy shortages and, more particularly, oil and gas. Because there is so much talk of energy shortage and because of its enormously adverse impact on the automotive industry, automobile dealers, gasoline station operators, and the motoring public, as well as the transportation industry and a host of related commercial and recreational enterprises, I felt my constituency would like to have this special report summarizing some of the facts and possibilities with respect to the future.

One of the questions I asked the Secretary was whether he had a "gut" feeling on the likelihood that Arabian oil would flow again to the United States before the end of next year. His response was that this might develop but that, no matter the outcome of Arab-Israeli negotiations, Arabian oil sources were cutting back on production to hold their oil reserves in the ground and spread them out over more years ahead and at probable higher prices. Indicative of the higher price situation was an example Secretary Morton gave of a tanker full of Nigerian oil for Holland that sold in Nigeria at dockside November 27 at $14 a barrel.

Among the things that concern us all are how much of a shortage is there? Whose fault is it? Is it remediable? What will be the economic impact over the long run in the future?

The United States has been too soft, too lazy, and too profligate in its use of energy for too long to invite much sympathy from other parts of the world as it faces an oil and gas shortage that, even with full impact still leaves the United States far and away the world's greatest energy consumer. For years this country has unabashedly reported that with 6 percent or so of the world's population, it consumes 30 percent of the world's energy. Most Americans uneasily realize, upon reflection, that a fairly large part of this energy use has not been urgently necessary. I am not referring to recreational transportation or the use of such things as outboard motors or skimobiles or ski tows. Rather, I have reference to facts such as burning 14 lights in a house when you only need 2 or 3, or heating a place that is unoccupied for any length of time when, with a little inconvenience, you could turn the heat off, or using innumerable gadgets, such as self-cleaning ovens, when elbow grease could do the trick, et cetera. The examples are legion and we all know this. Conservation should be encouraged from voluntary slower driving to voluntary care not to waste energy in daily living.

The shortfall in crude oil in this country at this writing is 2,400,000 barrels of crude each day. This compares with a current U.S. demand of 18.7 million barrels of crude a day. The shortfall in gasoline is approximately 900,000 barrels a day out of a daily consumption that runs between 3.4 and 4 million barrels.

How to meet the gasoline short-fall? It is estimated that, up to a point, but not all the way, this can probably be helped by practicing conservation. Thus, a voluntary speed limit reduction across the Nation is supposed to save approximately 250,000 barrels of gasoline each day. To this can be added a widely varying estimate of perhaps 100,000 barrels to be derived from less driving on a volunteer basis and from a Sunday filling station closing. This will be accompanied by a swing in refinery production from gasoline to middle distillates, but the immediate question that confronts the Nation is how do we reduce demand for the remaining 450,000 barrels of gas that is short each day?

One way, of course, is by rationing and this is under active consideration at the highest levels in Government at this writing. There are substantial differences of opinion as to which way to go on this subject. One way I do not believe that we should go is by sharp increases in price per gallon, reflecting a legislatively or executively imposed tax to discourage consumption. This would only penalize the innocent and the necessitous. If an estimate is made of the number of miles the average car is driven in a given year, the number of miles per gallon the car consumes, and ration stamps on a monthly basis issued to an amount of 75 percent, the reduction would be effective but, remembering the black marketeering and bureaucratic mess that was OPA in the World War II period, I hate to see the country turn to rationing if there's any other valid way out.

Some are suggesting the possibility that gasoline, in addition to rationing, should be available but at a sharp increase in price, such as perhaps $1.50 a gallon. This is suggested to discourage use and yet provide additional gas for those who are willing and able to pay a penalty for it.

Particularly frustrating for me is the fact that my bill to lower automobile emission standards has not been acted upon, yet these same standards increase gasoline consumption by hundreds of thousands of barrels a day through reduced mileage per gallon on the newer cars. If the country is forced to go to catalytic converters and consequently to use unleaded gasoline, the increase in gasoline required to go the same number of miles could be on the order of twice the current short-fall and this is ridic-

ulous. Actually catalytic converters are not necessary for public health in the United States. Their need arises solely from the excessively high clean air requirements of 1970 law.

An even larger problem of particular urgency in the Northeast is that of residual oil short-fall. On the East Coast this short-fall is on an order approximating 50 percent because much of the East Coast residual comes from Caribbean refineries supplied by Arabian oil. Here, Congress has acted to propose a mandatory fuel allocation program to make sure that in meeting the residual shortage nationwide, available supplies are spread equally to the various regions of the country. This, however, does not increase the supply. It merely distributes the shortage more evenly. But, the residual shortage is also being met in the East Coast by the conversion of 50 or so major plants from coal to oil. On this, Secretary Morton reports there has been a high degree of cooperation from the utilities involved. Such conversion takes some 60 days to complete and within that time frame it is necessary to get the coal and have it on the line, which is no little undertaking.

Further complicating the conversion process are such things as a suit by environmentalists in New York City to stop conversion to coal by Consolidated Edison's huge plant in Brooklyn, despite a 5 percent drop in power in the New York grid and a critical shortage of residuals. Apropos of this type of opposition, one must observe that the probability is that we are going to have smoke in the air for some time, whether it is from oil, sulfur, coal or other energy sources, and that there is no way to avoid this and still come close to meeting energy requirements. Domestic refineries are being encouraged to divert as much of their gasoline production to diesel fuel without reducing residual oil production. Meanwhile, in the middle distillates—kerosene, aircraft fuel, and so forth—commercial aircraft are suffering fuel reductions on the order of 20 percent, executive jets at approximately twice that level, all of which reflects a policy to take much of the gasoline production in this country at the refinery level from gasoline and put it into the middle distillates.

It is believed that all these things if done will probably not lower the annual gross national product by more than 1½ to 2 percent but they are going to raise cain with much of the transport, recreation, leisure and pleasure activities of the Nation. This has a particularly adverse impact in New Hampshire because a combination of gasoline shortage and reduced permissible speed in driving will discourage the thousands of people who come into New Hampshire to enjoy themselves at all seasons of the year.

How much relief could result from an increase in allowable price for oil and gas is conjectural but it would probably be substantial. Secretary Morton indicated, for example, that if the price of oil were to be increased to between $5.70 and $6 a barrel that he suspected oil would become available in very greatly increased quantities. Many wells—and gas wells in particular—are capped in this country, holding back what is in the ground in anticipation of price increases. Dollars not being patriotic and the profit motive being honed in selfishness, this price factor is probably understandable if not forgivable.

Meanwhile, how much can we expect from oil shale or other sources of energy? Secretary Morton says oil shale leasing was started on November 28 but that it will largely be on a test basis and that production of oil from shale in any significant amounts is years and years away, maybe as long as 1985. Geothermal energy, also a relatively small potential source of energy on a nationwide basis, is 4 years or more away. What is needed at the moment appears to be extraction research money to find a better way of getting oil from known sources and a massive federally supported but refundable program to develop a commercially feasible process for making oil and gas from coal.

The latter is a proposal that I have had pending in the last two Congresses in anticipation of this energy shortage (H.R. 220). Hopefully, at long last, under the pressure of the energy crunch, Congress will act to make "Syncorp"—synthetic gas and oil from coal—a reality and get it going to help private industry find a way to produce this product at a competitive price with oil from foreign sources. Under my proposal, the Government contribution is to be refunded without interest from royalties paid to the Government by private licensees using the developed commercial process. It is said we have enough coal in this country for the next 300 to 400 years. If this is so, it seems to me there is little excuse for delaying further in acting on this proposal.

The economic impact of developing petroleum shortages is staggering. Like dominoes falling one by one the ripple effect of the required slow-downs leaves virtually no community or industry unaffected. Leisure and recreation which abound in New Hampshire are demonstrably harmed by reduced patronage. Some may witness a less-than-breakeven flow of customers over a sufficiently extensive period to require closing down. Should this happen, employees are jobless. Similarly in the automobile field retail sales are discouraged especially of larger cars, many of which sit on dealer showfloors eating up capital and inexorably depreciating. Meanwhile with less usage there is less repair, less demand for parts, less profit from the sale of smaller and less expensive cars, et cetera, all of which throws off the estimates of return from which allowable mortgage cost and capital investment were committed in last year's projections for the fiscal year ahead. Nor can the national automobile industry be expected to completely retool into small car production with large car assembly lines and tens of thousands of workers with jobs dependent thereon. In virtually everything from the petrochemical supply train, plastics, large concerns heated by middle distillates, public and private transportation, especially jet aircraft, the whole Nation suffers from a reduction in output hoped to be held to 2 percent or under but in all probability to be considerably more than 2 percent unless alternate sources of energy are developed and fast.

As for whose fault it is, the answer is complex. It is not demonstrably or solely the fault of that favorite whipping boy of populist politicians, the big oil companies. Certainly they may be faulted for opposing imports of oil, or scheduling less than full flowage of gas or oil anticipating price increases, or failing to build sufficient storage capacities in critically oil-short areas like the Northeast. But also responsible is the undeniable statistic that the U.S.A. has been increasing its overall energy appetite by 5 percent each year. This alone would have caused an energy crisis soon, without the Arabian oil embargo and it was in recognition of this growing energy need that led me nearly 2 years ago to develop and introduce legislation to make oil and gas from coal by developing a technology that makes this possible at a cost level competitive with oil. Clearly, responsibility in part is found in failure to increase domestic refinery capacity. Explanation for this is again, largely economic—it is cheaper to build a refinery in the Caribbean, for example, as well as to operate it there—and undoubtedly such a refinery policy was related to a growing inability to find and develop sufficient additional sources of domestic production of oil to warrant refinery construction. Whomever is to blame, the fact remains that the energy crunch is real, it is with us, it will affect each of our daily lives in varying annoying ways, and it is up to us to meet the challenge. This we will do—by conservation and by developing additional sources of domestic and foreign production of petroleum, and by using our brains and technology to maximize the ability to use alternative energy sources such as coal, sunlight, geothermal and nuclear.

CENTERS LEGAL SERVICES BACKUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GROVER) is recognized for 15 minutes.

Mr. GROVER. Mr. Speaker, some weeks ago when the House acted on legal services legislation, I voted to eliminate the backup centers.

When H.R. 7824 was considered on the floor of the House on June 21, 1973, the authority of the proposed National Legal Services Corporation to grant or contract for certain backup and research functions was eliminated by amendment. After reviewing the record in this matter, it would appear that the discussion and deliberations surrounding these backup centers, as they are known, fell short of producing an objective view of the purpose, method of operation and past performance of such facilities. Therefore, I would like to offer a brief description of the functioning and activities of these technical assistance projects as currently funded by the OEO legal services program.

Backup centers were conceived as a mechanism for providing technical as-

sistance to local legal services programs on a problem-by-problem basis or in highly complex or technical cases where local resources were insufficient to handle a particular case or portion thereof. Access of legal services attorneys working in the field to such backup assistance is important for a variety of reasons that have perhaps been obscured by the involvement of some backup centers in cases which, while in some instances controversial, nevertheless have resulted in great benefit to clients.

For example, given the rapid turnover of lawyers in the legal services program and the fact that many of them have had little or no prior practice experience, they are particularly dependent upon the technical assistance, training and support that backup centers provide. To illustrate, in 1972 the housing law component of the Berkeley backup center responded in writing to some 1,400 specific legal services requests for advice and assistance and to perhaps twice that number of telephone requests. This included assistance with questions regarding FHA eligibility, urban renewal relocation rights, warrant of habitability, public housing admission and eviction regulations and many similar specialized subjects in housing law.

Further, the whole of poverty law is itself a new and rapidly changing field that requires constant attention to changing government regulations and developments in the case law. In addition to housing such chronic problem poverty law areas as consumer, welfare, social security, employment, economic development, education, and health are governed by an increasingly complex tangle of federal statutes and regulations that have special impact on the poor.

Similarly, in the prison and juvenile area, case law is expanding at such a pace that, in many instances, a poverty lawyer in the field would have little chance of knowing the most recent developments and then applying them to an individual case. The backup capability then, is designed both to provide the attorney in the field with a ready source of information in an area where he would otherwise lack expertise, and insure that the general office caseload, traditionally very heavy, does not suffer by virtue of heavy expenditures of time and resources with one client's problem.

Nor does this appear to be an unreasonable, inefficient, or uneconomical allocation of resources. The legal services mechanism is a large one, involving nearly 900 local offices, over 2,000 full-time attorneys, and $70 million annually in public support. For efficiency and wise use of these funds, a central backup capacity—research and development, information clearinghouse, and technical assistance services—is an administrative necessity. No private enterprise of this dimension would operate without it. We see that law firms in the private sector specialize in any one or more of a number of fields such as tax, patent, or labor law. Further within particular law firms, individuals specialize and obtain the expertise and experience necessary to provide quality legal counsel to clients. For the poor, whose legal dilemmas are traditionally at a critical stage when they finally do seek legal counsel, it is no less important that representation be of the same highly specialized standard as that expected by a paying client. Therefore, the need for such a support capability given the complexity of the problems which face the poor, born of economic deprivation and lack of opportunity, seem obvious.

An examination of the record of performance of backup centers refutes the overgeneralized criticisms which have surfaced in congressional debate. Further, it would appear that with relatively few exceptions, the actions taken by the backup centers are in response to specific requests for assistance by individual clients or local legal services programs. When they have acted without such a specific request, often it has been in response to the urging of a governmental agency, law revision commission, or similar agency.

For example, upon request the National Consumer Law Center presented testimony and expert advice to the Commission on the Bankruptcy Laws of the United States; many of its suggestions were ultimately adopted by the Commission. The Federal Reserve Board has asked that same Center to participate as amicus curiae in several cases which successfully enforced the requirements of the truth-in-lending legislation passed by Congress. Additionally, the National Housing Law Center has participated with the Conference of Commissioners in Uniform State Laws and the American Bar Association in developing the Model Uniform Residential Landlord and Tenant Act.

Examples such as those recited refute the allegation that the backup centers are in the business of initiating law suits to further a particular lawyer's individual concept of social justice. Rather, it reflects a responsible approach toward fulfilling the objectives which they were designed to fulfill—that of securing for legal services programs the ability to deal with complex, recurring problems on a uniform basis, as well as providing the technical expertise to deal with administrative and legislative problems on local, State, and national levels.

Just as convincing is the record of the backup centers in responding to the individual requests of legal services projects and attorneys for information and technical assistance to assist in individual cases, as documented in OEO evaluation reports. It should be noted here that most of the staff of the various backup centers are selected after they have served as field attorneys for a period of time, usually 2 years, and must be well versed in their particular specialty before they can be considered for a position with a backup center.

Other examples of effective fulfillment of the mission of backup centers include the following:

First. The National Employment Law Center, located in New York, has assisted clients and local legal services programs in enforcing the Emergency Employment Act which provides funds for training and employment of unemployed and underemployed persons in needed public service jobs. In one instance, this center responded to a request by the eastern Michigan legal services program and represented several indigent clients in enforcing the mandate of an act which the city of Flint was found by the court to be deliberately violating.

Second. The center on social welfare policy and law, another New York backup center, participated as counsel in administrative and litigational efforts on behalf of welfare recipients to enforce mandatory requirements of HEW regulations. These efforts have produced a more efficiently administered and far superior hearing system for welfare recipients in New York State. The welfare law center has also been brought in to assist a number of local legal aid programs, Cleveland, Wayne County, Rhode Island, and Kansas City legal services offices among them, in enforcing the requirements of the National School Lunch Act and thereby assuring that thousands of poor children receive the free or reduced price lunches to which they are entitled by law.

Third. The national health law project and the Youth Law Center, both located in California, have been active in efforts to implement the early and periodic screening, diagnosis, and treatment—EPSDT—program, a mandatory Federal program providing preventive health screening for indigent children. Both centers have not only worked with HEW in its enforcement efforts, but have also joined with local programs, including Greater Lansing legal aid and San Francisco neighborhood legal services, in litigation on behalf of indigent clients denied benefits under the programs.

Fourth. The migrant legal action program, after negotiating a settlement with the Michigan Department of Public Health in a case in which they assisted Michigan legal services as cocounsel, joined the department in developing procedures to assure the enforcement of the Michigan Agricultural Labor Camp Licensing Act. Massachusetts law reform, cocounsel with Boston legal assistance in representing clients suffering from lead poisoning, helped the Massachusetts Department of Public Health develop enforcement mechanisms to implement the Massachusetts Lead Paint Poison Act. A similar statewide backup program, Michigan legal services assistance program, assisted Michigan Department of Public Health in developing complaint handling procedures for nursing homes and other facilities licensed by that department.

Fifth. The Native American Rights Fund, an Indian backup center, has assisted in several "fishing rights" cases brought in conjunction with Upper Peninsula Legal Service and Minneapolis/St. Paul Legal Services. These actions were filed to try to assure that indigent Indians receive the full protection accorded them under the Federal laws and treaties.

Sixth. The National Housing and Economic Development Law Center has provided assistance to residents of economically depressed urban and rural areas who are seeking economic or business development opportunities to re-

vitalize their communities, provide jobs and stimulate pride and financial independence among poor people. With the assistance of the Housing Center and that of Florida Rural Legal Assistance, 40 migrant farmworker families were able to establish their own cooperative to acquire a 200-acre strawberry farm from a corporation which desired to dispose of the land; similarly, Navajo communities in the southwest were assisted in establishing a craft cooperative, enabling Indians to acquire supplies more cheaply and market their handicrafts more profitably; and, finally, the residents of Turtle Lake, Wis., through a nonprofit community development corporation, have entered the pool table manufacturing business.

As these examples illustrate, the cases which the centers have engaged in cannot easily be characterized as ones seeking to foment social change, or as being on "the cutting edge of social reform." Rather, most of their efforts appear to be directed toward enforcing present rights and entitlements accorded by Federal, State, and local statutes, ordinances and regulations on behalf of indigent clients. The "back-up" centers appear to have developed a rational process for the resolution of recurring problems faced by clients throughout a State or the entire country; created a vehicle to coordinate the efforts of local programs as they respond to client needs; and developed strategies based on traditional techniques which do not overtax the judicial system but seek an orderly and often efficient resolution through the judicial process.

The House-mandated elimination of these centers should be reconsidered in light of the record. The best course would be to allow the Board of Directors of the proposed new Corporation the authority to continue utilization and evaluation of the present back-up centers. Rather than to precipitously dissipate the capabilities of the centers, painstakingly developed over years of effort, it is suggested the Corporation be allowed to decide the most effective means of providing legal aid to the poor and that its ability to do so not be precluded by legislative mandate arrived at without reference to the record of accomplishment. The current OEO backup investment at $4 million is a modest 5 to 6 percent for their vital support functions and their continuation in some form should be considered by any successor legal services corporation. It is surely in the best interest of the program to insure that the full access to our courts by the poor not be compromised.

THE INDEPENDENCE OF THE SPECIAL PROSECUTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, on November 19, 1973, Acting Attorney General Robert Bork issued a new regulation amending the charter of the Special Prosecutor, Leon Jaworski. In its original form, the charter, which established the Office of the Watergate Special Prosecution Force, provided that Mr. Jaworski could only be dismissed by the President after consultation with the majority and minority leaders and chairmen and ranking members of the Judiciary Committee, and only then if there was a consensus among the above named.

The additional regulation states:

The jurisdiction of the special prosecutor will not be limited without the President's first consulting with such members of Congress and ascertaining that their consensus is in accord with his proposed action.

Thus, both discharge and any limitation on jurisdiction cannot be effected without consultation by the President and specified congressional leaders.

Because of some criticism to the new regulation, Mr. Bork was prompted to write a letter of assurance to Mr. Jaworski. This letter of assurance is a first step and is encouraging. The American people want the facts. They want the guilty punished, and the innocent exonerated. Only an independent investigation can properly respond to the public, and we in the Congress must be certain such an investigation takes place.

Text of the Bork letter follows for the review of my colleagues:

DEPARTMENT OF JUSTICE,
November 21, 1973.

Acting Attorney General Robert H. Bork sent the following letter today to Special Watergate Prosecutor Leon Jaworski:

DEAR MR. JAWORSKI: You have informed me that the amendment to your charter of November 19, 1973 has been questioned by some members of the press. This letter is to confirm what I told you in our telephone conversation. The amendment of November 19, 1973 was intended to be, and is, a safeguard of your independence.

The President has given his assurance that he would not exercise his constitutional powers either to discharge the Special Prosecutor or to limit the independence of the Special Prosecutor without first consulting the Majority and Minority leaders and chairmen and ranking members of the Judiciary Committees of the Senate and the House, and ascertaining that their consensus is in accord with his proposed action.

When that assurance was worked into the charter, the draftsmen inadvertently used a form of words that might have been construed as applying the President's assurance only to the subject of discharge. This was subsequently pointed out to me by an assistant and I had the amendment of November 19 drafted in order to put beyond question that the assurance given applied to your independence under the charter and not merely to the subject of discharge.

There is, in my judgment, no possibility whatever that the topics of discharge or limitation of independence will ever be of more than hypothetical interest. I write this letter only to repeat what you already know, the recent amendment to your charter was to correct an ambiguous phrasing and thus to make clear that the assurance concerning congressional consultation and consensus apply to all aspects of your independence.

Sincerely,

ROBERT H. BORK,
Acting Attorney General.

FROM "SPOT DISLOCATION" TO ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, although the Nation seems to have just discovered the energy crisis, those of us from the Midwest remember well last winter when the crisis was already with us. Schools, businesses, farmers, and some homes went without adequate fuel and heat. The euphemism which Washington officials coined for our shortage was "spot dislocation." It was supposed to cease with the warming winds of spring. Instead, the "spot dislocation" has now become a national energy shortage and belatedly everyone is trying to do something about it.

In a very real sense, whatever we do now will be too little and too late, at least for this winter and probably for next summer.

It need not have been so. More than a year ago, many Congressmen who represented areas of the country already affected by the energy shortage, were warning of a worsening crisis to come.

On December 1, 1972, I wrote to Secretary of the Interior Rogers C. B. Morton:

It does seem to me that the shortage of fuel and the developing energy crisis does merit the priority attention of the Department.

Secretary Morton acknowledged on that same day that:

We are aware that our analysis cannot foresee all the possibilities of spot dislocations or localized product shortage which can occur. In order to cope with these potential problems, our Office of Oil and Gas, and the President's Office of Emergency Preparedness cooperate at the regional level to maintain constant contact with the local situation and initiate corrective action if spot problems occur. You can be assured that we are aware of the potential problems in the Midwest, and that we will recommend action to cope with supply problems if the situation warrants.

Four days after Christmas, 1972, I tried again to set forth my deep concern in a letter to Secretary Morton, a letter which 29 other Congressmen joined me in signing. In our letter we stated:

It is now assumed that the shortages of fuel oil that plague the Midwestern markets, particularly the small business independent marketers, will continue and increase, forcing additional business shutdowns and throwing more men literally out of work and into the cold.

While the Midwest is suffering the most, the nation as a whole is facing a critical shortage of heating oil. This does not consist of merely "spot dislocations or localized product shortages." The shortage is substantial, severe and widespread.

With the beginning of the new year, it had become increasingly apparent that our Nation was not moving fast enough to meet the fuel shortage. Despite the fact that I voted for the Air Quality Act of 1967, I pointed out in a letter to President Nixon that:

Environmental standards have forced industry and utilities to use distillate oils ordinarily used in homes. These standards should be suspended for the duration of the emergency. Many utilities and industries still have the capacity to burn coal and residual fuel and would do so if permitted. This would free, almost immediately, large amounts of refined fuel oil to meet the present crisis.

In his energy message to the Nation on November 7, 1973, the President announced that he was at last taking this step.

NATURAL GAS

Much of the problem in the Midwest last year was caused by a shortage of natural gas. Factories were forced to lower working temperatures and farmers were not able to dry their grain because of inadequate supplies.

Natural gas is the cleanest burning and cheapest source of energy available today. The reason it is so cheap is that its price has been kept artificially low by Federal regulations at a time when the price of other fuels has skyrocketed. In fact, the price of natural gas has been kept so low that it has become unprofitable to look for new sources of gas. Many companies have ceased their efforts to bring new gas to the surface for homeowners and businesses.

Long ago I came to the conclusion that we must restore balance to market conditions and create incentives to produce domestic supplies of natural gas.

A single important step that can be taken to achieve these desirable and necessary objectives is the elimination of price regulation at the well to bring new supplies of natural gas into free market competition. The bill I introduced on January 3, 1973, the first day of the 93d Congress, H.R. 480, will do just that.

There is natural gas in the ground. But much of the gas which geologists say exists is in remote locations—difficult and costly to bring to market.

Time is needed to find new gas fields, develop those fields, and construct the necessary pipelines to bring that gas to homeowners and industry. In the prolific fields of the Gulf of Mexico, the time-lag is 5 years or more.

As I said on the floor of the House in January shortly after introducing this bill:

The purpose of proposing this measure is to focus attention on the critical energy shortage and hopefully to persuade others to begin thinking about the problem.

In view of all the circumstances of the energy crisis, our present knowledge as to future requirements and the hardships now being experienced because of the energy shortage, I believe this is a logical and decisive first step to protect our citizens and the national interest.

At that time, I also called upon the House Committee on Interstate and Foreign Commerce to hold hearings on my bill and on the worsening energy crisis. In a letter to Chairman HARLEY O. STAGGERS, I recited the hardships of last winter and went on to predict:

The future is equally bleak. The major supplier of natural gas in Illinois, Panhandle Eastern Pipeline, has announced that it will curtail gas supplies to its customers in all but four months of 1973, those being June through September. Thus, next winter we can look forward to a replay of the same situation which plagued us this winter—insufficient gas, factories and schools closed down, farmers unable to harvest and market their crops.

The shortage of other forms of energy is equally serious. Gasoline and fuel oil are currently in short supply and sometimes available only at black-market rates. When spring plowing gets under way in the Midwest, farmers may find the fuel is not available even on the black market. Because fall plowing was not done due to the amount of rain experienced, plowing this spring will be especially heavy.

My purpose in writing is to urge you to request the views of the Executive agencies on H.R. 480 and to schedule hearings at the earliest possible moment on the energy crisis.

On October 10, 1973, 10 months after I introduced this bill, in a statement before the Senate Commerce Committee, the President's energy adviser, Governor John Love, affirmed the administration's support for deregulating natural gas. He told the committee:

The current shortages do not result from depletion of our domestic energy resource base. The Geological Survey estimates that the United States has potential recoverable reserves of natural gas of 2100 trillion cubic feet. These are reserves which could be found and delivered to the consumer with existing technology if sufficient exploratory and development drilling were stimulated.

The natural gas problem demands legislative relief. We are proposing that this relief be in the form of returning the regulation of well head prices on new supplies of natural gas to the private marketplace. This would allow competitive market forces to set the prices at which new supplies of natural gas are bought and sold in the field. It allows the quick and certain adjustments which are now required if the nation is not to continue suffering from chronic shortages. The Administration has decided that this is the most efficient, most effective and most economical method of solving the natural gas problem.

I welcome this support but wish it had come much earlier.

In the meantime, I took a specific initiative with the Federal Power Commission. To Chairman John N. Nassikas I wrote on February 6, 1973:

The shortage of natural gas in the Midwest remains critical. The economic loss to farmers in undried crops destroyed by mildew is incalculable. Many plants have been forced to close or curtail production, thus throwing their employees out of work.

On January 14, 1972, Panhandle Eastern Pipe Line Company filed an application in Docket CT72-181 requesting authority to construct a pipeline and gathering facility in order to connect an estimated one trillion cubic feet of newly acquired gas supplies near Denver, Colorado, to its mainline system near Liberal, Kansas. If this application can be approved expeditiously by the Federal Power Commission, a recurrence of the gas shortage which has plagued the Midwest this season may be averted in future years.

I urge the Commission to act favorably on this docket at the earliest possible moment. Thanks for your consideration.

On March 30, 1973, the FPC decided to permit Panhandle Eastern to construct the badly needed natural gas pipeline. The Commission gave the company 1 year to get the facility into operation. Present plans call for new gas to begin flowing to the Midwest about April 1974.

EFFECT ON FARMERS

In April 1973, the impending disaster that has now struck full force was felt by farmers. In a speech on the floor of the House, I warned:

As each day goes by, the energy crisis worsens. Gas-line and diesel fuel supplies continue to dwindle at an alarming rate.

While the implications of this situation on our nation are immense, nowhere are they as alarming as in the agriculture sector. Without fuel, farmers can't plant their crops. Without a crop, the flow of food to the consumer would come to a halt. And our nation would go hungry.

Within the next 90 days, farmers in Illinois and most of the Midwest will need 45 percent of the total amount of fuel they use during an entire year.

Already some farmers have been shut off from their normal sources of fuel because of insufficient supplies.

Obviously, immediate action is necessary to insure that farmers have enough fuel and this potential catastrophe is averted. One estimate shows Illinois alone will suffer a 1,500,000 gallon shortage of fuel this year. Today I am introducing legislation that would direct the President to establish and implement a plan for rationing gasoline and diesel fuel in states and areas when supplies become insufficient for essential farm operations. The plan could and should be used immediately to head off a potential disaster.

The substance of my bill, H.R. 7054, was eventually included in the administration's voluntary oil allocation program announced May 10, a month later. That program gave highest priority to supplying oil for agricultural production.

By mid-May it had become abundantly clear to me that the voluntary oil allocation program was not going to work and that stronger measures were necessary. I set forth my concern in a letter to President Nixon:

Ideally, it would be best to allow our fuel industry to continue to operate on a competitive basis. Thus, the spirit in which you recently implemented the voluntary fuel allocation program is admirable. However, reports I am receiving indicate that this program is not working. In Illinois, farmers depend greatly upon independent dealers for their fuel supplies. Many dealers are unable to deliver fuel to farmers and the situation will worsen in the next two weeks. Already some tractors are sitting idle in the fields during the most critical part of the planting season.

In addition, the Memorial Day weekend will result in the utilization of much fuel for pleasure, further compounding the critical shortage. Farmers will find it even more difficult to get fuel.

The Oil Policy Committee has anonunced it will hold hearings on this problem in two weeks. This will be too late. By then, crops should be in the fields. If they are not, higher food prices are inevitable this fall.

I respectfully urge you to utilize the authority granted under the extended Economic Stabilization Act and make compliance with the fuel allocation program mandatory.

Six months later, the allocation of oil products became mandatory—too little, too late.

BLACK MARKET OIL

During the summer, the shortage of gasoline first hit vacationers and other travelers at about the same time that the price of gasoline and other petroleum products began to skyrocket. From various parts of Illinois, I received reports that some service station owners were being forced out of business by major oil companies that had supplied them in years past with retail oil products, but now were unwilling to do so. In other cases, I heard that some dealers could get gasoline only on the black market.

I set these facts forth in a letter to Attorney General Elliot L. Richardson on June 1, 1973:

DEAR MR. ATTORNEY GENERAL: There is mounting evidence that the fuel shortage is bringing about increasing black-market profiteering and unhealthy anti-competitive effects in the oil industry.

Charges of black market sales of gas and diesel fuel were first made public in testimony before a Senate Commerce subcommittee last week. However, they have been known to industry representatives for some time.

The procedure under which these profiteers work is complex and designed to thwart would-be investigators. A service station owner may receive a phone call late at night. An anonymous caller will ask if he needs gas. In the Midwest, the answer is invariably "yes." The owner is then told that he can get a truckload, but it will cost him anywhere from 21 to 31 cents per gallon instead of the current rate of 14 to 15 cents. This, of course, is a violation of the Economic Stabilization Act and the Cost of Living Council's guidelines for pricing petroleum products.

If the station owner agrees to this price, he is then told to wait for a second phone call. The second call, again from an anonymous person, will generally be to specify payment by certified check made payable to some person unknown to the owner.

Finally, the owner may receive yet a third call directing him to place the check in a certain post office box or other location and telling him when to expect delivery of the black market oil. An unmarked truck will then pull into the owner's station and deliver "hot" oil.

Because federal laws are being broken, I urge you to direct the FBI to conduct a thorough investigation of all facets of these illegal sales. At a time when many small businessmen are being forced to close their doors because they cannot buy oil to sell their customers, there is no place in the American economy for the black market profiteer who would try to squeeze the last penny out of service station owners and consumers alike.

The fact that many small and independent oil dealers are being forced out of business, and the anti-competitive effect this may have upon the oil retailing industry, in my opinion, should also command your attention. In recent years, sales by independent petroleum marketers have reached 25 percent of sales of all oil products. Their gas prices have literally kept the oil industry competitive. Without the independents, gas prices might today be double what they are.

Now, due to a very real shortage of oil, these small businesses are being squeezed out. Already, nine hundred nationwide have closed their doors. But this is not the entire story. At the same time that the independents have been going out of business because they cannot get gas to sell their customers, major oil companies are expanding their retail outlets in the very areas where the independents once flourished. In some cases, major oil companies are trying to buy independent gas stations that were closed due to the shortage, resupply them, and open their doors under the major's brand name. The gas and the location may be the same, but the price will not. It will be higher.

Each of the major oil companies have now opened their own cut-rate gas stations to compete with and eliminate the independents. They operate under such names as Whale, Alert, Sello, Ride, Fas-Gas and Bulko.

Each penny increase in the price of gas costs the American consumer $1 billion a year. Thus, the effect of this unconscionable anti-competitive drive by certain major oil companies will be to gouge the American public to the tune of billions of dollars.

I urge that you direct the Antitrust Division of the Department of Justice to conduct a thorough investigation of possible violations of the anti-trust laws by the major oil companies. If legal action seems warranted, I urge you to act expeditiously before the price of gas goes any higher.

/s/ PAUL FINDLEY,
Member of Congress.

In his response, the Assistant Attorney General in charge of the Antitrust Division, Thomas E. Kauper, pledged the cooperation of the Department:

Our staff members are presently conducting an ongoing investigation to determine whether the shortages themselves or the allocation of supplies within the industry are the result of antitrust violations. The reported black market sales of "hot" gasoline is a new development which will receive our careful attention.

We share your concern over the plight of the independent petroleum marketers. The Department will not hesitate to seek remedial action in the courts if sufficient evidence of federal law violations can be obtained.

Unfortunately, the Department's concern did not stop the gas shortage from worsening.

JACKSONVILLE OUT OF GAS

In June 1973, the city of Jacksonville almost ran out of gas. Police cars, fire trucks, and other emergency equipment were operating virtually on their last tank of gas when Mayor Milton Hocking called me for help. Officials of the Office of Oil and Gas subsequently provided an alternate supply of fuel for the city.

This experience, and several similar ones with other cities in my district, pursuaded me that some special provision should be made for supplying oil to these essential public services.

On July 23, 1973, I introduced H.R. 9651, a bill to establish a system to ration petroleum products, natural gas, and natural gas liquids among civilian users to provide sufficient fuel for essential agricultural operations, public health, safety, and essential public services in areas of shortage.

H.R. 9651 states:

SECTION 1. The Congress finds that an acute shortage of fuels is disrupting essential farm operations, jeopardizing the production of sufficient food supplies to meet domestic and foreign requirements; and is threatening public health, safety, and essential public services; and that in order to guarantee a continued availability of fuels for farm, public health, safety, and essential public services, a system of rationing fuels among civilian users should be established.

SEC. 2. The President shall immediately direct the establishment of a national priority system for fuel allocation. Highest priority shall be assigned to food production and processing, public health, safety, and essential public services.

SEC. 3. The President shall immediately upon establishment of the priority system implement a rationing program based upon the priority system to ensure sufficient supplies for these uses.

The President may delegate all or any portion of the authority granted under this Act shall terminate one calendar year after date of enactment.

MANDATORY ALLOCATION NEEDED

The energy crisis was now hanging ominously over the entire country. At every opportunity, I urged, even begged, the administration to invoke the authority to allocate fuel which it had been given by Congress months earlier in the Economic Stabilization Act. Because the voluntary controls were not working, it was clear to me that mandatory allocation of fuel was essential. I so stated to both the President and Governor Love.

On August 28, Governor Love responded to my plea:

DEAR CONGRESSMAN FINDLEY: Thank you for your recent expression of concern on the subject of mandatory allocation programs for petroleum and petroleum products. We have been totally submerged in the task of examining the current voluntary allocation program and developing options for possible mandatory programs.

As I announced on August 9, 1973, we have made a decision not to adopt the mandatory allocation program for petroleum and petroleum products at this time. It is our express goal to ensure adequate supplies of fuel for all consumers. We are also committed to maintaining the continued viability of all independent sectors of the petroleum industry. We believe that a mandatory program will probably create more problems than it resolves, and in view of the current over-all supply situation, a mandatory system does not appear to be the appropriate remedy at this time.

We have released a proposed mandatory program which has been published in trade press and in the Federal Register. The proposal was released at this time in order to receive comments from both the private and public sectors. The program is generally intended to ensure provision of 1972 historical levels or at least a proportional share of available supplies to independent refineries and to all wholesale purchasers of petroleum products. It includes provision for appropriate state involvement, including priority-setting. In spite of our best efforts, we recognize that the program has inherent flaws, most notably the necessity for review of special circumstances and requests for exceptions. We would appreciate your comments on the program, as we appreciated your earlier comments.

We believe that we can administer the voluntary program in a manner which will best serve the interests of all Americans.

/s/ JOHN A. LOVE,
Assistant to the President.

At about this time, the administration began seriously considering a badly needed mandatory program to allocate LP gas only. Immediately, I contacted Governor Love to lend my support and to urge that a mandatory program be expanded to include other petroleum products.

My September 4, 1973, letter to Governor Love stated:

DEAR MR. LOVE: Thank you for your August 28 response to my request for the implementation of a mandatory fuel allocation program. Because reports reach me daily of fuel shortages in Illinois, I was most disappointed in your decision not to implement such a program in August.

However, I am somewhat encouraged by the reports that a mandatory allocation program for LP gas is now being considered. I strongly encourage you to implement such a program at the earliest possible time. The LP shortage is critical and we must be sure that the highest priority users have sufficient amounts for grain drying and heating during the cold weather that is just ahead.

The fuel shortage goes far beyond LP gas, however, and I again urge you to recommend to the President that a mandatory allocation program for all fuels be implemented. Natural gas, heating oil, and other fuels are in precariously short supply in many areas. Mandatory allocation is needed now to ensure that agriculture, public safety, and other essential public service needs are met.

For all too long, we in government failed to act on the warning signs of the impending energy crisis. Unless you act, homes will be cold, grain will rot in the fields or drying bins, and vital public services will be terminated this winter.

The situation is such that there is little time for further study and evaluation. Action is needed immediately.

(s) PAUL FINDLEY,
Member of Congress.

On September 10, 1973, Governor Love sent me a copy of the mandatory proposal for LP gas, which became effective shortly thereafter. For the first time, he also mentioned the possibility that the administration might prohibit utilities and industrial and commercial firms from switching from coal to petroleum products. This was a proposal I had first advanced on January 29, 1973, and I was glad to see that it was now being considered. Several months later it was finally accepted and announced by the President.

Despite all this, Governor Love still refused to recommend mandatory allocations of fuel. His letter enclosing the two proposals stated:

DEAR CONGRESSMAN FINDLEY: Thank you for your letter of September 4, 1973. I am enclosing copies of two recent press releases describing actions being taken by this office to ease or at least to make equitable current shortages.

We are watching the heating oil situation very closely, we are encouraging refiners to increase their production of heating oil, and we are considering actions to take if it appears emergency situations may develop.

This complex matter is the subject of much concern, and your comments are important in evaluating current and future policies and action programs.

/s/ JOHN A. LOVE,
Assistant to the President.

When it became clear that the administration would not use its authority to implement a mandatory allocation program for all oil products, Congress finally acted in mid-November. The bill it passed orders the President to formulate a plan within 15 days and implement it within 30 days. The bill requires that fuel oil and gasoline be allocated to each user in an amount equal to that supplied in 1972. It also recommends priorities similar to those I included in H.R. 9651 introduced in July. Unfortunately, the mandatory bill is too little, too late to solve the problem this winter. But it will help.

SMALL GAS STATIONS FORCED OUT

In the fall of 1973, the gasoline supply situation was clearly going from bad to worse. At the same time, hundreds of small individual, independent service station owners were being forced to close their doors because they could not get gasoline or were not permitted by the Cost of Living Council to sell their gasoline at the same price as the major oil companies sold their gas. I felt the competitive market for the gas customers' dollar was threatened. I was afraid that the major oil companies would end up with a monopolistic share of the retail gas market which would mean even higher prices and poorer service to consumers in the long run.

Again, on September 14, 1973, I wrote to Attorney General Elliot L. Richardson of my concern:

DEAR MR. ATTORNEY GENERAL: Evidence continues to mount that Phase IV gasoline price regulations are having a disastrous anti-competitive effect on the oil industry.

Under the regulations, independent service stations are required to roll back prices they charge to January 10, 1973, levels. At the same time, the major oil companies that supply the independent stations are permitted to charge May 15, 1973, prices and in some cases raise them above this level. Many companies in Illinois have already done so.

The result is that many independent stations are operating at a loss or unrealistically low-profit margins. Some have gone into bankruptcy and many others are headed in that direction. As stations close, the major oil companies move their allocation to other areas, leaving the stations' customers without a fuel source. In other cases, the majors sell the fuel in the same area through their own stations at prices above those the independent station could charge.

Thus, Phase IV is having a counter-productive effect and has meant even higher fuel prices for consumers as a direct result of the decreasing competition in the industry.

Furthermore, consumers who could depend on fuel supplies from the independent stations in their communities are now finding they no longer have a reliable supply and are at the mercy of the major companies.

I recently introduced a bill designed to help correct this situation. It would amend the Economic Stabilization Act to prohibit pricing regulations that discriminate between segments of the petroleum industry. A copy is enclosed. Do you believe such a measure will help preserve competition within the oil industry?

On a related matter, I would also like your views on a specific situation that has occurred in my district. An independent station owner, who for many years has received fuel supplies from a major company under contract, recently had that contract terminated. Does this station operator have any recourse under existing federal regulations or antitrust legislation? Apparently, the major company will retail this station's allocation itself or sell elsewhere.

If the major companies can legally do this, Phase IV will have failed utterly to establish reasonable fuel prices. The major oil companies will soon totally dominate the fuel industry and all semblance of competition will be gone.

Your views on these matters would be greatly appreciated. If action by the Antitrust Division is warranted, I urge you to act expeditiously to ensure that the rights and interests of consumers as well as all independent businessmen are protected.

/s/ PAUL FINDLEY,
Member of Congress.

On September 25, I decided that legislative action was essential if a free and competitive gasoline market was to be preserved. When the appropriations bill was before the House, I offered an amendment to prohibit the Cost of Living Council from discriminating among petroleum marketers in the method of establishing prices for gasoline.

In asking other Congressmen to vote for my amendment, I told them how the Cost of Living Council had decided to sacrifice the small independent businessmen in favor of the major oil companies at a time when the major oil companies were earning the greatest profits in history.

Just listen to these profits earned in the first 6 months of 1973 by a few of the big oil companies and the tremendous increase over the first 6 months of last year:

Exxon earned $1,018 million; up 48 percent over the same period last year.

Texaco earned $531 million; up 28 percent over last year.

Gulf earned $360 million; up 46 percent over last year.

Mobil earned $340 million; up 25 percent over 1972.

Standard of California earned $334 million; up 33 percent.

Standard of Indiana earned $242 million; up 29 percent.

Shell earned $169 million; up 52 percent.

Despite those profits, the Cost of Living Council decided that the majors were not earning enough and so they gave them the more profitable date at which to set their pump prices of gasoline.

I told my colleagues:

Unless you want to see the petroleum industry monopolized by the giants, unless we want to see all gas prices set at a uniformly high level with no independents around to keep prices low and competitive, then you should vote for this amendment.

My amendment was approved overwhelmingly by a vote of 371 to 7.

Immediately, Cost of Living Council Chairman John T. Dunlop came up to Capitol Hill. He hoped to defeat my amendment in the Senate. However, there too he was beaten badly. In October, after the Senate approved my amendment, 90 to 6, the Cost of Living Council finally changed its regulations to end its discrimination against the small independent gasoline stations.

ENERGY SAVING TIME

One of the easiest and least disruptive ways to conserve our scarce energy supplies is to bring back year-round daylight saving time. I call it energy saving time and introduced a bill on September 9, 1973, to make it year-round. President Nixon endorsed this proposal 2 months later in his address to the Nation on November 7.

Energy saving time has several advantages. One study indicates that year-round daylight saving time will curtail electrical consumption in America by almost 2 percent. Fuel oil and natural gas savings may be even higher.

In addition to fuel conservation, almost $600 million would be saved on electric bills alone. That means you would pay less each month.

Also, more daylight at night would make it safer to walk the streets. There would be less crime.

Finally, commuters would be able to return home from work before dark, thus reducing traffic fatalities and serious accidents.

Energy saving time was instituted as an emergency conservation measure during World Wars I and II. Certainly the fuel shortage we are facing this winter is as critical as the ones we faced then.

On November 27, 1973, the House passed a bill making daylight saving time year-round for a trial period of 2 years.

MIDDLE EAST WAR

On October 6, the latest Middle East War broke out. The war and what fol-

lowed was probably the inevitable result of past actions by several nations of the world, including the United States.

The Israelis have been steadfastly unwilling to return the Arab lands occupied in the 1967 war. The Arabs had remained unwilling to meet personally with the Israelis to discuss the disputes which stood between them.

For its own part, the United States missed opportunities to head off the war. In the summer, the United States cast its fifth veto in the U.N. Security Council, killing a resolution which called upon all the parties in the Midde East to adhere to the 1967 Middle East resolution, which we helped draft. It also singled out Israel for criticism. The resolution was not as balanced as I wished, in that it did not criticize the Arabs for their lack of cooperativeness.

Unfortunately, our veto and the failure of the Arabs' diplomatic initiative may have caused them to conclude that war was the only answer for them.

The U.S. response was, of course, immediate and entirely upon the side of Israel. U.S. military planes began ferrying tons of new war material to the Israelis in response to the Soviets' decision to similarly resupply the Arabs.

As a consequence, 11 days after the outbreak of the war, the Arabs announced a 5-percent, and then a 10-percent, cutback in oil being shipped to the United States. On October 19, President Nixon asked Congress to provide $2 billion in additional military aid for Israel. As a direct consequence, the Arabs cut off all oil shipments to the United States completely.

The United States must have a balanced policy in the Middle East, not to protect oil supplies, but because such a policy is right. Certainly it is in Israel's long-term interests. Hopefully, the recent initiatives of President Nixon and Secretary of State Henry Kissinger are leading to that kind of reassessment. At least the fighting has stopped, and for the first time, both sides are talking directly to each other.

But an awfully great price is being paid.

THE PRESIDENT'S ENERGY MESSAGES

On November 7 and November 25, 1973, President Nixon addressed the Nation on the energy crisis. In addition to asking for year-round daylight saving time and standby authority for gasoline rationing, the President also called for a relaxation of certain environmental standards, and a reduction in airline schedules.

The President announced that he would prevent industrial users of coal from switching to other sources of fuel.

He called for use of the naval oil reserves, a speedup in the construction of atomic energy plants, and passage of the Alaskan oil pipeline bill.

At long last, Congress finally cleared the latter bill for President Nixon's signature. This measure authorizes immediate construction of a pipeline from the rich oil fields of Alaska to seaports where the oil can be loaded on tankers and brought to the lower 48 States. That oil is desperately needed now. When the pipeline is fully constructed, it will increase our oil supplies by more than 10 percent. That is more than half of the oil shortage that is expected this winter.

Unfortunately, it will take several years to build the pipeline. Already, the project has been delayed for years. With passage of this bill, hopefully, construction can begin immediately and be completed as rapidly as possible.

The President also asked everyone to turn down the temperature in his home and turn off as many lights as possible.

Finally, he asked for a national speed limit of 50 miles per hour for cars and 55 miles per hour for trucks and buses. While most of his suggestions are necessary if we are to make it through the winter, I feel the administration's proposal that the lumbering giants of the highway—buses and trucks—be permitted to travel 55 miles per hour while automobiles will be permitted only 50 miles per hour, should be rejected by the Congress.

Whatever limit is established should apply uniformly to all vehicles.

No doubt some engines perform more efficiently at higher speeds than do others, but this can be said of automobile engines as well as truck and bus engines.

The efficiency gain-loss involved in 5 miles an hour can hardly justify the other hazards that will occur if the double standard in highway speeds is attempted.

Trucks and buses would forever be passing automobiles, and this would create horrendous hazards especially on narrow two-lane pavements. Moreover, the outrage every automobile driver will inevitably feel as the big vehicles roar past will cause the greatest hazard of all.

Several State Governors have already seen the absurdity and double standard of the 50-55 miles per hour proposal, and so should the Congress.

TIME TO GET THE OX OUT OF THE DITCH

Already many people have suffered because of the lack of foresight in the development of an adequate national energy program, but that suffering may be small compared to what may be in store for the Nation this winter and in the next few years.

If there is a bright spot on the horizon, it is the fact that at long last the American people, and their Government, realize that a crisis exists. That could not be said last year at this time. Then, few people outside the Midwest were aware of the unfolding crisis.

I have no doubt that the Congress, the administration, and the American people will now dedicate whatever time and talent is required to solving our energy problem. This is not a time for partisan bickering in an attempt to establish blame for past sins of omission.

The President has accused tthe Congress of footdragging. House Speaker CARL ALBERT responded by charging the President with ineffective leadership.

I regret both charges. There is plenty of blame to go around. Both Congress and the President failed to perceive the problem early enough.

The last thing the country wants now is time wasted on partisan bickering on who deserves the greatest blame.

What is needed is a revival of the national spirit that enabled America to perform such impressive production miracles in World War II. That will require a high level of nonpartisan cooperation among Congressman, the President, industry, and private citizens.

Fortunately, with general recognition of the problem in recent days has come an understanding of many of the steps which must be taken in order to provide the energy we will need in the future.

President Nixon has already given some suggestions. There are other short-term and long-term possibilities.

For the short-term, additional cutbacks need to be made in unnecessary military uses of fuel. Almost half of all the energy used by the Departmnt of Defense goes for aircraft operations. Here significant cuts can be made without impairing national security. Each of the services should cut training flights to the barest minimum. The policy of logging so many hours per month to stay on flight-pay status must be suspended. Reserve and National Guard units must suspend all possible maneuver and training programs which consume fuel.

Ship movements consume over 10 percent of the military energy supply, and undoubtedly some savings can occur here too. Steaming days must be limited to the absolute minimum.

The petroleum fields in California and Alaska that have been set aside by the Government for emergency use by the military should immediately be tapped for the use of the entire country. The emergency is now. If our economy becomes weakened by the energy shortage, so will our military capacity. This cannot be permitted to happen. The Elk Hills and Alaska petroleum reserves should be made available to meet the general energy shortage this winter.

There are other sources of oil which the Government refuses to permit industry to develop. In the Santa Barbara channel off the coast of California, great stores of oil exist. Within 7 months, I am told, more than 10,000 barrels per day could be pumped out to meet the growing shortage. The reason that the pumps are not working is that the Department of the Interior has refused to issue permits ever since the disastrous oil spill of 1969.

The Government has been sued in court by the oil companies over its refusal and lost its case in the lower court. It is now appealing the decision to a higher court in the hope that it can yet stop the oil companies from pumping more oil. This is ridiculous. In the past 5 years, oil men have learned how to prevent recurrences of the 1969 spills. Now is the time for the Interior Department to issue the permit so that oil can be flowing by spring.

The fleet of Government limousines should be put in mothballs. The number of Government executives who need chauffeur-driven cars can be counted on the fingers of one hand. The rest can drive their own cars, take cabs, or even better—walk. In fact, if all Government-owned or leased vehicles simply adhered to the 50-mile-per-hour speed limit, they would save 12,000 barrels of oil per day.

Private citizens can help, too. In addition to the suggestions which President Nixon made to turn down thermostats and drive more slowly, everyone should get his car tuned up. If each State would adopt a program to require regular engine tuneups for all cars, we could save the equivalent of 140,000 barrels of oil per day.

If everyone simply stopped using hot water for laundering, we could save 400,000 barrels of oil each day. The cold water soaps work great, my wife tells me.

Each of these suggestions not only saves precious energy, but also saves money.

For the long term, there are also important steps for the Nation to take.

We need to go on a "war-footing" to build the Alaska pipeline, which alone can supply half the energy shortfall expected this winter. During World War II, Henry Kaiser cut the keel-laying time for U.S. ships from a matter of months to a matter of days. At one time we were producing 1,000 planes a week to meet our war need. It did not take us 5 years to win World War II, and it certainly should not take us 5 years to build the Alaska pipeline.

Production of new natural gas should be stimulated. The bill I introduced early in this Congress, or one like it, should be approved. There is plenty of gas waiting to be discovered and brought to market. All that is lacking is incentive. Congress should allow the market to set the price for new production of gas, just as it does for oil and coal.

Oil shale must be developed. There is more oil shale in the United States than in all of the rest of the world; enough to meet our needs for 100 years. We will never have to import another drop if we develop the oil shale located out West. In recent days, leases of these Government-owned lands have been issued. Processing of the shale should proceed as quickly as possible.

Coal is abundant. If you think there is a lot of oil shale, there is so much coal in this country that we cannot even guess within a hundred years of how much there is. Estimates I have seen indicate that there is enough coal to meet all of our energy needs for 300 years or more. If we fail to transform that coal into clean fuel—whether liquid, gas or solid—then we need to have our national head examined.

Atomic energy, which during World War II was the No. 1 example of American's ability to meet a challenge quickly, can now set that example again. Technological breakthroughs are needed. But they cannot be more difficult than the original Oakridge project.

Other sources of energy must be researched and harnessed.

Twice each day powerful tides flow in and out, lapping at thousands of miles of shores. Development of water turbines capable of extracting useful energy from relatively small differences in water levels is needed. The tides often destroy beautiful beaches through erosion. That energy can be put to constructive use, such as the production of electricity.

So, too, the Sun. Solar energy has great potential for heating homes, schools, and other buildings where the roofspace is rather large compared with the amount of space enclosed. Already, some solar heated homes are in production.

Geothermal energy—heat from the center of the Earth—can also be used to turn steam turbines and thus produce electricity.

Much work and research needs to be done to harness the energy from each of these sources. But scientists tell us that each has distinct possibilities for the future. Our task today is to make the commitment, dedicate the manpower and money, so that future generations will not have to live in a cold, dark world.

As an old friend of mine—an elderly Congressman from Down South—used to say, "It's time to get the ox out of the ditch." We are in a ditch now. And we would not get out of it until all of us—Congressmen, the President, industry, and private citizens—all of us, do the things that have to be done.

Although many of these sources of energy may not be developed in time to help us out of the current energy crunch, now is the time to begin working on them. I pledge every effort to help move the work of Congress along in this direction as fast as possible.

NEED FOR STRICT CAMPAIGN REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 15 minutes.

Mr. YOUNG of Florida. Mr. Speaker, earlier this week the Senate once again expressed its concern over campaign reform, this time by passing legislation to provide almost total Federal financing for campaigns for Federal office. I sincerely hope that the House does not succumb to a similar temptation to burden the hapless American taxpayer with the financial responsibility of supporting every Tom, Dick, or Harry who chooses to run for national office. The $42 million which the Senate, and some House leaders, would have us spend on Presidential candidates alone would buy a lot of health care or hot lunches for schoolchildren. Moreover, by allowing matching contributions from private sources for certain primary elections, this so-called public financing reform actually leaves the door open for the same sorts of abuses it is claiming to eliminate.

Supporters of public financing for campaigns argue that Treasury funding of candidates would eliminate the political favoritism which results from dependence on private contributions, reduce overall expenditures, and thereby lower political corruption. These are indeed worthy goals and I support them. But I must point out that public financing of campaigns is contrary to all democratic principles. It requires the taxpayer to give financial support to a candidate half a continent away or to a Presidential aspirant with whom he strongly disagrees. Moreover, by setting up a mechanism whereby the Government determines which candidates are deserving of financial support, it opens the door to the Government determining who shall run—and thereby controlling the elections themselves.

Campaign reform can be accomplished without going down this dangerous path. By passing a truly tough and effective campaign reform bill, we can maintain the integrity of the American political process and avoid further demands on the Treasury and the taxpayer.

Mr. Speaker, I am today introducing the toughest campaign reform bill ever to come before the House. This bill closes the loopholes in the present law, sets the lowest limits ever set for campaign contributions and expenditures, outlaws dual candidacies, and requires elected Federal officials to forfeit office if they are guilty of campaign violations. This bill is not the shadow of reform—it is the substance.

I decided to introduce my own reform legislation after long and careful consideration of the Senate bills and the various proposals put before the House. Each of these proposals, while paying lip service to the ideal of reform, backs off from the strong steps which must be taken if we are to accomplish real reform. If we are going to correct the problem of campaign abuses once and for all, let us really do it rather than just talk about it. And let us put some teeth in the enforcement procedure, rather than just slapping violators on the wrist.

Following is a summary of the major points of my legislation, with a discussion as to their impact.

Strict overall spending limits: $25,000 each for a primary or general election for a congressional seat; a senatorial candidate may spend $25,000 times the number of congressional districts in the State, up to a maximum of $500,000. For each primary and general election, a Presidential candidate is limited to the same amount as a Senatorial candidate in each State. These limits apply to all campaign expenses, including broadcasting.

Other campaign bills allow a House candidate anywhere from $90,000 to $175,000, a Senate candidate from $150,000 to $2 million, and a Presidential candidate up to $21 million. Under my bill, a Presidential candidate could spend a total of slightly more than $10 million—half the sum which the Senate is now asking be financed out of the public Treasury.

Other campaign bills allow a substantial portion of allotted funds to be spent on the media. My narrow across-the-board limitations constitute a much more effective and responsible approach and should result in campaigns getting back to the people level. Election campaigns have too often been conducted away from the people through slick, Madison Avenue-type sales promotions. Full-time media specialists package and promote candidates as if they were a new, vitamin-enriched breakfast cereal. We are so tempted to buy the package and the "special offers" that we sometimes forget to read the fine print. In my opinion, election campaigns should be conducted with the candidates face to face, in full

view of the people. There will be those who say that $25,000 is not enough to campaign in some districts, but if the candidate is willing to take his cause directly and personally to the people, $25,000 is plenty.

Strict limits on contributions: individual or political contributions to a candidacy are restricted to $1,000 for a Presidential candidate and $500 for a House or Senate candidate. Such contributions, no matter what their size, must be clearly identified as to donor and deposited in the official campaign account no later than the next business day after receipt by the official treasurer.

This is a simple yet effective means of getting rid of political favoritism and influence-peddling. With limits set very low on spending, correspondingly low limits on contributions do not damage the ability to raise money—but they do prevent financial manipulation of a candidate or his views.

Strict definition of campaign responsibilities and requirements for record-keeping: all contributions and expenditures for a campaign must be handled by a single authorized campaign committee under the direction of a single officially designated campaign treasurer. This individual is responsible for managing the finances of the campaign and the official campaign bank account, as well as complying with the financial provision of campaign law. For Presidential candidates, this would be done by the national campaign treasurer of the national committee.

Candidate himself held responsible for compliance: in addition to increasing the penalties for violations of the law, my bill specifies that a candidate who has been found guilty of violating the law would have to forfeit his office if elected.

This proposition will undoubtedly meet strong opposition from some fronts—but it is the only totally effective means of ensuring that a candidate will run a clean election. If a candidate knows that "the buck stops here" and that he will be held ultimately liable for the actions of his subordinates, he will take pains to run his campaign in compliance with the law and not shut his eyes to any wrong-doing. Loss of office is the best possible way to make the punishment fit the crime. If the office was obtained improperly or illegally, then the individual should be ousted and the people allowed to elect a candidate who complies with the law.

Prohibition of indebtedness: No commitments for expenditures can be made by an official committee unless the campaign account already has the funds on hand.

I want to outlaw situations where a candidate's committee may, for example, owe a telephone company hundreds of thousands of dollars or the airlines millions of dollars. Such debts are not legally considered campaign contributions, but if a candidate owes such sums over a period of several years, it is the same as a corporation contribution—which is illegal under existing law.

Prohibition of dual candidacies: Any candidate for national office must resign a present office effective as of the date he would begin his new job, if elected. The people of his home State can thus elect a replacement during the same general election and save the costs of special elections to fill vacancies.

This will be another highly unpopular provision, I am sure. But it would correct a great injustice in our political system whereby a Member of the Senate runs for another office from the safety of his seat, neglecting his legislative duties and his constituency for months or years during the campaign, but knowing that he still has his old job to fall back into if he loses.

In addition to the foregoing major new provisions, my bill closes a number of loopholes in the existing law and tightens up reporting requirements considerably. It increases penalties for violations while allowing even stricter State laws to take precedence over the Federal provisions.

Mr. Speaker, as I have noted there are provisions of my bill which might be unpopular, even among the most ardent supporters of campaign reform. But if the Congress is really serious about campaign reform, then Members must get tough on themselves and other candidates and write a law which really does the job. My bill is direct, effective, and swift in the identification and punishment of violators.

For the information of my colleagues, a section-by-section summary of my bill follows:

SUMMARY OF PROVISIONS

Section 1, designates bill title as Federal Election Campaign Reform Act of 1973.

Section 2, imposes overall per election (primaries and primary runoffs and general elections are considered separate elections) candidate spending limitations as follows: $25,000 for a Congressional candidate; $25,000 times number of Congressional Districts in the State for Senatorial candidates; $25,000 times total number of Congressional Districts in the nation for Presidential and Vice Presidential candidates.

Prohibits any expenditures on behalf of a candidate other than those made by authorized committee or by national political party committee. Expenditures by a political committee on behalf of a candidate may be made only with authorization of candidate's official committee and shall count as part of candidate's overall expenditure.

Each political party may have only one national committee; the national committee must file reports as required by 1971 Act, as amended.

Section 3, candidates must designate a single authorized committee and a single campaign treasurer to handle *all* campaign expenses on his behalf and accept contributions.

Limits individual and political committee contributions to an authorized committee or national committee to $1,000 for Presidential elections and $500 for any other Federal office.

Limits contributions made in cash to $100.

Prohibits political committees from accepting contributions unless the original donor designates in writing the candidates or authorized committee to which the contribution should be given.

Prohibits "washing" of funds by prohibiting inter-committee transfers.

Prohibits expenditure of funds by authorized committee for non-campaign or non-legislative purposes.

Provides penalties for violation of section of $25,000 or one year imprisonment or both.

Section 4, the current "no filing requirement" exemption for political committees doing less than $1000 worth of business a year is eliminated. All political committees which spend money must file reports.

Political rating organizations are included within the definition of "political committees" for the purpose of coverage under 1971 Act, as amended.

Section 5, strikes requirement for continuous reporting of campaign debts in existing law (to conform with Section 11 below).

Section 6, prohibits any person making a contribution on the condition that the recipient of the contribution will make a contribution to any other candidate or his authorized committee unless the original contributor is identified pursuant to the reporting requirements of the 1971 Act, as amended.

Section 7, provides that P.L. 92-225, as amended by this Act, shall preempt any State law with which it is in conflict unless such State law sets stricter standards.

Section 8, Prohibits dual candidacies by requiring Federal officeholder to resign present office effective date on which oath of office would be administered for post for which he is officially a candidate.

Section 9, amends reporting requirements for House and Senate candidates so that from the day his authorized committee is set up, the candidate must report by the first Monday of each month; he must also file a pre-election report for primary and general elections no later than 15 days before these elections.

The monthly reports shall continue until such time as the funds held by the Committee are totally disbursed; if within 90 days after the election a candidate's funds are not totally disbursed, whatever is left shall become the property of the treasury of the state in which the individual is a candidate; Presidential funds shall revert to the national treasury.

A final report must be filed with the Clerk 90 days after the election.

On the first business day after the filing date for a candidate's reports, the names of those whose reports were not received in time shall be publicly posted.

Section 10, extends reporting requirements for contributions in excess of $100 to include *all* contributions to an authorized committee or political committee.

Section 11, prohibits any indebtedness on the part of an authorized committee.

Requires establishment of a single campaign account by the authorized campaign treasurer into which all contributions to the authorized committee are deposited on the first business day after receipt and from which campaign expenditures are made.

Section 12, provides as an additional penalty for violation of this Act that the candidate shall forfeit his office, if elected.

RESPONSE TO ARAB OIL BOYCOTT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I am introducing a resolution expressing the sense of the Congress that the United States take immediate steps to sever all diplomatic ties with those Arab nations which have participated in the oil boycott and to embargo the shipment of all U.S. goods and materials to these nations. In addi-

tion, I have written to Chairman THOMAS MORGAN urging that the Foreign Affairs Committee hold full hearings to consider the gravity of the boycott in terms of our own national security.

The restrictions imposed on shipments of oil to the United States by the Arab nations constitutes a very real threat to our national security interests. A recent NATO statement agrees with this feeling and terms the boycott a hostile act which is violative of international law. The United States can ill afford to conduct "business as usual" with nations whose illegal activities jeopardize our security and our ability to adequately meet the needs of our own people. To continue to export food, machinery, and other material and to carry on normal relations with these Arab States is not only self-defeating but an evidence of a failure to face up to outright blackmail. If we submit to the blackmail tactics of the Arab nations, we remain vulnerable to every other nation that has the ability to withhold from us strategically important and essential materials.

There are those who argue that an embargo on shipments to the Arab Nations will be ineffective. Perhaps, such an action will not bring about the resumption of oil shipments to the United States. However, it will serve to convince the Arab States that the United States is not a weak or submissive nation, but rather a nation which deals firmly with those who resort to blackmail and threaten our security. Strong action by the United States may also serve as an example to our European allies who have backed down in the face of Arab threats.

A trade embargo and the severance of diplomatic relations is not the extreme response to Arab hostility; the extreme would be outright war against the oil producing nations. The actions I am proposing are rational, responsible and orderly responses to clearly illegal and dangerous activities. International law admits sanctions to be imposed against nations which act illegally and without regard for the security of other nations. Both trade embargoes and the severance of diplomatic ties are recognized sanctions.

I am including for the RECORD the text of the resolution as well as a copy of the letter I have sent to Chairman MORGAN. The Congress must act to express the determination of this country that we will not be held hostage nor dictated to by nations who resort to hostile and criminal activites as a pressure tactic.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 29, 1973.

HON. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing for your consideration a "Sense of the Congress" resolution I am introducing today with regard to the restrictions which have been placed on shipments of oil to the U.S. by certain Arab Nations.

A recent NATO statement agrees with my feeling that the Arab oil boycott, by endangering our national security, constitutes a hostile act which is violative of international law. The hostile and illegal nature of the boycott demands that the U.S. deal firmly with the Arab nations by imposing sanctions allowed for by long-standing precepts of international law, in particular, sanctions in the form of a trade embargo and the severance of diplomatic ties.

I urge your Committee to consider the gravity of the Arab boycott in terms of our own national security. In addition, I look to the Committee for the leadership necessary to bring about full consideration of a resolution expressing the sense of the Congress that the U.S. act to sever diplomatic relations with and embargo shipments of materials and goods to those nations which have participated in the oil boycott.

I look forward to working with you on this matter of serious concern.

Sincerely,

LESTER L. WOLFF,
Member of Congress.

CONCURRENT RESOLUTION

Whereas the restrictions imposed on shipments of oil to the United States by certain Arab nations threaten our national security interests.

Whereas the endangerment of our national security is a hostile act and violative of international law;

Whereas international law admits sanctions to be imposed upon nations which act illegally and without regard for the security of other nations;

Whereas trade embargoes and the severance of diplomatic relations are recognized sanctions against nations which violate international law by endangering the security of other nations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the United States take immediate steps to

(1) sever all diplomatic ties and relations with those Arab nations which have stopped or restricted shipments of oil to the U.S.;

(2) embargo all shipments of U.S. goods, products and materials to those nations which have participated in the Arab oil boycott.

H.R. 11440 AND H.R. 11265

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 5 minutes.

Mr. DENT. Mr. Speaker, I rise today to commend my colleague, the gentleman from Texas, (Mr. PATMAN) for his bill H.R. 11440, the Foreign Bank Control Act, a bill to provide Federal control over foreign banks and other persons establishing, acquiring, operating, or controlling subsidiaries in the United States. I would like to say that it is indeed a timely bill, and one that I would submit to my colleagues' attention. The issue of foreign ownership and control of American enterprises—whether banks, steel mills, textile plants, and particularly strategic industries—is a matter that ought to concern every Member of this body. H.R. 11265, which 13 colleagues and I introduced on November 6, 1973, addresses the subject of foreign ownership, and restricts to 5 percent the amount of voting stock, and to 35 percent the amount of nonvoting stock, a foreigner can own. Inasmuch as the gentleman from Texas (Mr. PATMAN) has advised me that he will not be introducing the bill again with cosponsors, I would like to express my support of this measure by introducing it again for myself today.

SEARCH FOR JUSTICE AND TRUTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, in this time of national turmoil, the words of Julian Goodman, president of the National Broadcasting Co., in his speech accepting the distinguished alumni award of the American Association of State Colleges and Universities seem particularly relevant to the search of the American people for justice and truth.

When we consider the actions of the news media, both broadcast and print, in uncovering the truth in the past few months, and bringing it to the attention of the American people, we understand the vital service independent news reporting performs in a democracy.

Since the broadcast media are not protected by the first amendment as are the print media, it is especially important that we in Congress safeguard the independence of that vital source of information to prevent an erosion of our freedom. We in Congress have a profound responsibility for preventing Government regulation of the broadcast media to the extent suggested recently by several persons in the executive branch.

I believe from Mr. Goodman's speech we can all gain an insight into the situation as it now exists in the broadcast industry and can acquire information which will assist us in properly exercising our responsibility.

The text of the speech follows:

TELEVISION REALLY IS AN EDUCATION

(By Julian Goodman)

I'm pleased to be with you tonight and I'm honored by your Distinguished Alumni Award. It's been a long time since I left Western Kentucky University, and since then the state college and university system has grown tremendously. All of you have a right to be proud of that growth and of the millions of young men and women who have benefited from your labors.

My youngest son tells me that education is "how kids learn stuff." That's a nice, uncluttered definition, but it obviously lays emphasis on learning as something geared exclusively to the young. And that notion of a time limit on education can stay with us too long.

By the time I left Western Kentucky to join the Army in 1943, I was sure I had learned quite a bit of "stuff." By the time I left the Army and went to work for the government in Washington I thought I knew quite a bit more. When I signed on with NBC, at the age of 23, I felt mature and well-educated. But it didn't take me long to find out that my education was only starting. And tonight I want to share with you something of what I've learned since then.

We all discover some basic truths about the business or profession we're in and about

the people we deal with. Educators and broadcasters have something uniquely in common here. We reach almost everybody at one time or another. And because we do, there will always be people who are concerned with what we communicate, and some who will try to dictate what they think we should communicate.

When this happens, our freedom to communicate is threatened. And if we let that freedom erode—if we hand off our responsibilities to others—we might as well turn over our classrooms and television studios to our most troublesome critics.

In simpler times, back when it was claimed only that television would kill the art of conversation and ruin the nation's eyesight, we knew that this new medium was going to cause concern, as it should; that it was going to prompt speculation, as it must; and that it would draw criticism, as a natural result of trying to serve a multiplicity of tastes.

The thing we didn't know is what the world would be like. We didn't know about the wars and social revolutions and changing life styles and ideologies that would form our national experience. We didn't know how a large reflecting mirror like television would show those images, and to what effect.

Today we know about that effect on the quality of American life. Television has brought the good and the bad of the entire world into our living rooms and made us more aware of things around us. It has assumed a place alongside the home, government and education as a major influence on national life and thought. And it has done all this and become all this in the last quarter century. By comparison, the printing press took 500 years to make its full impact on men's minds.

When I started with NBC as a news writer in Washington 28 years ago, our big problem then was persuading public figures to appear on radio and television.

I remember spending most of three days riding up and down in a House Office Building elevator, buttonholding the Chairman of the House Foreign Affairs Committee, trying to persuade him to permit live radio coverage of his Committee's hearing on the Greek-Turkish aid bill. He finally gave in, and that became the first live coverage the American people ever had of a Congressional Committee in action.

I also recall the reluctance of the White House to allow radio coverage of President Truman's occasional appearances in the Rose Garden, where he spoke informally to visiting groups. Once our microphones were allowed in, there seemed to be a never-ending flow of visitors and ceremonies. And soon we had to ask the White House whether there was any way they could keep the President *out* of the Rose Garden for a while.

When television covered its first national political convention in 1948 only seven cities in the East saw those pictures. It was very difficult to get politicians to go before the cameras. So few people could see them they felt it wasn't worth their time.

Well, times *have* changed and the situation is now very different. Television today enters 65 million American homes. It is recognized as the public's primary and most reliable source of news and information. And its problem is not to persuade people to come on the air—it is to try to balance the views and the arguments of the many different voices, public and private, that want to be heard.

I find it natural that those with special interests to serve or special messages to get across want to influence television news, and that government itself, which regulates broadcasting, would use regulation and the power of licensing to shape and control what the medium conveys. If there's any one thing that stands out for me in my long education in broadcasting, it is the need to keep broadcasting journalism free from this influence.

Television news is at a disadvantage here because it does not have the same protection that is guaranteed to the printed press by the First Amendment to the Constitution. The Federal Government regulates broadcasting because the number of frequencies over which radio and television stations may broadcast is limited, and somebody has to decide who uses what frequency. A law written in 1934 gave the Federal Communications Commission power to do this, and this power has been extended to thrust government ever more deeply into broadcasting.

One such thrust has come out of a regulation known as the Fairness Doctrine, which says that over the course of his schedule, a broadcaster must make sure that differing sides of a controversy are fairly heard. We do that. But there are those who urge that government assert a greater role in determining what views are presented and by whom and how often. That is the path toward government determination of what goes on the air. If that day ever comes, not just broadcasters will be in trouble. We all will.

It is not recognized often or clearly enough that the journalist—and the broadcast journalist no less than others—is simply a representative of the people, asking questions the people would ask if they had access to the officials they placed in power.

So we were somewhat taken by surprise two weeks ago—though we should not have been—when President Nixon made a particularly blunt attack on television reporting. I say we should not have been surprised because he is not the first President to blame television for troubles that reporters—or television—could not possibly have caused.

Television reporters and editors are victims of the same frailties that afflict others. Like doctors, lawyers, and even university presidents, they occasionally make mistakes. But I can assure you from personal knowledge that their mistakes are made without malice and their intent does not go beyond the uncomplicated desire to report the truth. To report the truth to the public that is obliged to decide periodically how it wants to be governed and by whom.

Television news does provide a sense of immediacy and an all-pervasive eye on the events of the day, sometimes as quickly as they happen. And it is easy to understand why the Presidents of the United States who have served during the rapid growth of television might be uncomfortable with it. Future Presidents probably will be equally uncomfortable.

This is why I feel it is doubly important today for those who have a deep belief in freedom—as I do—to be on guard against those who would use the machinery of government to restrict the freedom of those they don't like—for instance, the television networks.

One of those who makes no bones about wanting to clamp down is Patrick Buchanan. He sits very close to the President as speechwriter and supplier of the news summaries through which the President gets his view of what is being said in the newspapers and on radio and television. Mr. Buchanan has said on more than one occasion that the networks have too much power, and last week he advocated legislation that would "decentralize" and ". . . break the power of the networks."

This is dangerous thinking and it deserves to be rejected by anyone who believes in freedom. Not long after the President's most recent attack on television news, Peter Lisagor, the distinguished Washington correspondent of the Chicago Daily News, made this observation: The struggle between Presidents and members of the press has been going on for a long time, he said, and the press is going to be here for a long time to come, through many administrations; so let's all cool off a little and not get too emotional about this particular incident.

That's good advice. But it does not address the basic difference between the print media and broadcasting. There are few ways that the machinery of government can be used against the printed press. There are many ways it can be used against broadcasting.

Government is operated by a set of hand signals, and when its leadership is perceived to favor some restrictive actions against someone it may be displeased with, there are many people up and down the line throughout government who can make those restrictions stick. That's why I find it necessary to spend so much time speaking around the country, not just in behalf of the broadcaster, but in the interest of the people's right to the information they need to govern themselves. As David Brinkley has said, "There are numerous countries in the world where politicians have seized absolute power and muzzled the press. There is no country in the world where the press has seized power and muzzled the politicians."

Although providing news and information to the public is an important part of the broadcaster's responsibility he must also be concerned with his total service, and that can be an education, too.

In the last 12 months I received more than 23,000 pieces of mail addressed to me at NBC, most of it critical, more than half of it the result of organized campaigns where people were directed to write, and frequently about what they called television "new" permissiveness in entertainment.

I don't believe that television is moving ahead too fast or becoming too provocative, any more than I believed the old complaint that it moved too slowly and too blandly. It moves with the times and with maturing national tastes, and with the most democratic indicator of all—what the public finds acceptable and interesting.

We learned a long time ago that almost anything that appears on television is going to make somebody, for some reason, unhappy. And we long ago recognized that because television is an invited guest in the American home, it must respect the generally accepted standards of family taste. I think it has succeeded in this most difficult job of allowing freedom of expression while honoring the public's more realistic sensitivities.

I believe also that on the whole television is doing a good job of serving the public. But you might expect me to feel that way, so let me give you the view of someone who watches what we do with just about as careful an eye as we apply to ourselves.

Rick Du Brow writes the daily television column for United Press International, and he's a tough, perceptive critic. Recently he wrote that whenever he hears a sweeping statement about how bad television is, he finds himself, despite his own criticisms, asking people just how much television they watch and what they watch. Invariably, says Du Brow, their answers "make clear they don't know much about television, watch the worst stuff, miss most of the best, and don't really work at getting the maximum out of the home medium. . . ."

Du Brow's point is that if anyone simply plunges headlong and without any selectivity into an entertainment medium, the results will be predictable. There is, he says, an extraordinary amount of material on television, good and bad, and that what a viewer sees will be as good or bad as his or her selections make it.

Television has shown us the election of Presidents—and their deaths—man's voyages into space and his steps on the moon,

scenes of war and constitutional crisis. It has taught us things of value while it has entertained us. Perhaps we have come to realize that the nation's problems do not magically disappear by turning off the television set. Perhaps we have come to realize that knowing about our problems is the first step toward solving them.

Looking back over 28 years, I'd say it's been a long postgraduate course in a very noisy classroom. Guest lecturers keep coming in from the public and the government with new theories on what the business should be like.

But a number of truths stand out: Television is not and can't afford to be a political instrument, nor a social theory or a tool for special interests. It must have the independence enjoyed by a free press to be an effective medium of public information. And it must have enough creative freedom to keep pace with the public's changing interests and expectations.

I am sure that as we go along television will make mistakes. It is after all cared for by human beings. But praise or blame does not count as much as the overall impact television has had on our society. On that score there is little doubt in my mind that it has been as revolutionary as the printing press, and as beneficial. So for me at least—and I hope it will be the same for many generations that will come after me—television really is an education.

PRIVATE IMMIGRATION LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN), is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, I am submitting today an amendment to the House rules which would require that Members introducing private immigration bills submit a sworn statement, declaring that no compensation of any kind has been or will be received for introducing that bill.

Unfortunately, a cloud of suspicion hangs over the whole area of private immigration legislation, and periodically potential abuses are bandied about in the press. This cloud has even discouraged some Members from introducing legitimate and badly needed bills.

From my experience on the Judiciary Subcommittee on Immigration, I know that private immigration bills can serve an important function. They allow Congress to deal with cases of extraordinary hardship or unique special circumstances and thereby serve the national interest.

It is therefore important to remove the cloud from such bills and make it clear that House policy prevents compensation for legislative work.

In this "year of Watergate" we in the legislative branch must review our own practices and procedures and begin to sweep under our own rug so that our activities are both in fact and in appearance beyond question.

We too have a responsibility to take meaningful steps to restore confidence in the integrity of government.

The text of my amendment follows:

Resolved, That Rule XXII of the Rules of the House of Representatives is amended by adding at the end thereof the following clause:

"7. No private bill or resolution, or any amendment to any such bill or resolution, authorizing or directing the immigration or naturalization of any individual shall be received or considered in the House or any committee thereof unless such bill, resolution, or amendment is accompanied by a statement, made under oath and signed by the Member introducing such bill or resolution or offering such amendment, that such Member has not received and shall not receive directly or indirectly any compensation of money or anything of value for introducing such bill or resolution or for offering such amendment."

THE NEED FOR LEGISLATION TO CONTROL FOREIGN BANKING IN THE UNITED STATES

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, recently I introduced H.R. 11440, the Foreign Bank Control Act, to provide for Federal chartering and regulation of foreign banks in the United States. The United States is unique in that it is the only country in which the central government or central bank does not license or regulate foreign banks. Branches and agencies of foreign banks are currently chartered under State laws and most foreign bank subsidiaries, though they have to be approved by the Federal Reserve Board under the Bank Holding Company Act Amendments of 1970, are also chartered by the individual States as nonmember banks. States which have laws regulating foreign banks differ regarding the scope of activities permitted. Eight States prohibit entry altogether while the majority are silent on the subject.

There is general agreement among people who have observed the recent rapid growth of international banking that there is a need to restructure the framework under which foreign banks enter and operate in the United States. Most appear to favor some form of Federal chartering and regulation. It has been pointed out that the current system of State chartering gives foreign banks a number of competitive advantages over domestic banks. A substantial number of foreign banks have full service banking operations in more than one State, and one of the largest banks in the world, Barclays, soon will have operations in four States. In some States foreign banks are permitted to have full service branches together with investment banking subsidiaries while U.S. banks are, of course, subject to provisions of the Glass-Steagall Act separating commercial and investment banking.

Because the branches and agencies of foreign banks are not supervised or regulated at the Federal level, there is very little information available concerning their operations. Since November 1971, they have been asked to report their foreign assets under the Voluntary Foreign Credit Restraint program, and it is apparent that they handle a substantial volume of short term funds that flow in and out of the United States, and that this pool of funds is rising rapidly. At the end of 1971, the branches and agencies reported foreign assets of approximately $3 billion. These assets rose $1.7 billion during the year 1972, and rose an additional $1.2 billion to $5.7 billion in February of this year, the period of the second devaluation of the dollar.

As the increase in foreign assets of the branches and agencies in February indicates, one of their major functions is to serve as a source of dollars for the international operations of their parent banks. That, together with the fact that the operation of a number of the branches and agencies are financed largely by borrowings from U.S. banks has very significant implications for the conduct of monetary policy, both international and domestic. These developments support the conclusion reached in a report on foreign banking in the United States prepared for the Joint Economic Committee in 1967 that:

> It seems especially inappropriate that the activities of foreign branches and agencies have been examined only by state authorities who are largely uninterested in the inflow-outflow implications of the bank's activities.

IMPACT OF FOREIGN BANKS ON U.S. BANKING

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, as the number of foreign banks operating in the United States and the scale of their operations increases, their impact on the domestic banking structure becomes more apparent. Some countries do not require a separation of banking and commerce and some foreign banks which are active in the United States are affiliated with foreign companies which do a substantial amount of business in the United States. Questions concerning the propriety of these relationships and their impact on competition within the American economy were raised in legislation proposed this summer in California. The Federal Reserve Board has also attempted to meet this problem by regulation within the scope of its authority under the Bank Holding Company Act, but its interpretations are so broad as to negate the effort. I would have to agree with Board Governor Brimmer's dissenting statement of December 1, 1971 in a case involving three Japanese banks that:

> A principal purpose of the Bank Holding Company Act, unaltered by the 1970 amendments, was to prevent the dangers to the nation's banking system inhereint in common control of banking and commercial interests. Approval of the instant applications ignores this historic mandate against common control—for certainly that is evidenced here—and is thus patently contrary to the public interest.

Another problem which has arisen both as a result of the increase in foreign banking in the United States and the spectacular expansion in the overseas activities of American banks is the proliferation of joint investments among the multinational banks. European banks have formed groups made up of major banks from several countries as a way of establishing ready-made branch networks able to compete with the global networks established earlier by large

American banks. Merchant banking consortia which include U.S. banks have been established to handle the sizable loans which are characteristic of international finance.

These developments have taken place for the most part outside the United States, but they have serious implications for the competitive structure of banking within the United States as well, since banks which have substantial investments in common overseas are operating in the same locations within the United States.

It would be difficult to prove that these interlocking relationships among the world's major banking institutions reflect a firm cartelization of banking in other than international markets, but the potential for such a development is real. Further, it would be equally difficult to prove that such arrangements are not now resulting in anticompetitive practices—that banks which are pooling resources and personnel in London are dealing at arms length with one another in New York and San Francisco. There is no reference in law to this form of activity, but it clearly violates the intent of American banking statutes and threatens to erode traditions of competitive banking in the United States.

These developments reflect the remarkable expansion in international banking which has taken place in the past decade, and the fact that it has occurred in a legislative and regulatory vacuum. It is time to provide for more rational and orderly growth in this area. In the case of foreign banks operating in the United States, the obvious need is to establish a situation of parity with domestic institutions. The bill which I am introducing provides for Federal chartering and regulation of foreign banks to insure that they will operate in the United States in the same way in which American banks operate.

EXPLANATION OF THE FOREIGN BANK CONTROL ACT

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, because of the complexity of developments in international banking in the last decade, it might be useful to describe some of the more important provisions of H.R. 11440, the Foreign Bank Control Act which I introduced recently, and explain why they have been introduced.

Under the proposed legislation, foreign banks would apply to the Secretary of the Treasury for permission to establish or continue operations in the United States. Since these operations involve factors beyond the scope of banking itself and affect policies of the Federal Government, it seems appropriate that authority to approve or disapprove entry be conferred on an official at this high level. However, after the Secretary has given approval, final authority to charter the foreign bank subsidiary would rest with the appropriate banking authority—the Board in the case of subsidiaries engaged in international banking and the Federal Deposit Insurance Corporation and State banking authorities in the case of subsidiaries engaged in domestic banking.

All banking operations by foreign banks in the United States would be conducted through subsidiaries rather than, as now, through a combination of branches, agencies, and subsidiaries. Branches and agencies are legally an integral part of the parent bank and problems of regulating and supervising a part of a bank whose overall operations are outside the United States are virtually insurmountable. The restrictions and safeguards which have been placed on branch operations in New York and California and the fact that they do not qualify for FDIC insurance support this view. Requiring that they operate through subsidiaries would meet this problem and permit a structure in which the U.S. operations of foreign banks could be made to conform more closely to those of domestic banks.

Foreign banks would not be permitted to establish subsidiaries which accept domestic deposits and engage in retail banking in more than one State. Foreign banks would continue to be excluded from States which have laws specifically forbidding foreign banking but would otherwise be subject to the same regulatory restraints as State member banks and have the same privileges except the privileges of Federal Reserve membership. The Bank of England and the Bank of Japan both deny foreign banks access to discount and borrowing privileges and it is argued that this helps insulate the domestic money supply from the impact of international transactions. Meanwhile, the subsidiaries of foreign banks which accept domestic deposits will continue to be insured by the FDIC—a privilege which is extended to foreign banks by no other country.

Although restricted to one State in their domestic operations, foreign banks would be permitted to operate international banking subsidiaries in more than one State as domestic banks do through their Edge Act subsidiairies. The bill incorporates much of the language contained in section 25(a) of the Federal Reserve Act, the so-called Edge Act, and provides that Edge corporations, the international subsidiaries of foreign banks be restricted to international or foreign transactions. The scope of activity which would be pemitted conforms substantially to that permitted agencies of foreign banks in New York and branches in California and the conversion of present operations would not be difficult. The principal change proposed is chartering and regulation by the Board rather than, as now, by State banking authorities.

PROVIDING FOR A NATIONAL POLICY ON FOREIGN BANKING

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, a substantial increase in foreign investment in the United States is expected as a result of devaluation and it is thought that this will stimulate a further and fairly rapid increase in foreign banking as well. In anticipation of these developments, H.R. 11440 would require that the Secretary of the Treasury establish guidelines covering the optimal level of foreign banking, the degree of concentration of banks from the same country and the size of operations of individual banks which are consistent with the national public interest. An openly stated policy formulated at a time when the level of activity does not pose a serious threat to domestic institutions would avoid any future misunderstandings which might affect trade or other sensitive relations between the United States and other countries.

It is also appropriate at this time to correct certain competitive advantages enjoyed by foreign banks as well as to assure that they have the same advantages as U.S. banks. To achieve this the Secretary would be bound in approving applications by provisions intended to preserve the competitive structure of American banking and reaffirm the applicability of existing statutes separating banking and commerce to all banking conducted within the United States. These standards would apply to activities of the foreign parent or its subsidiaries or affiliates within the United States or to interlocks with other foreign banks or corporations active in the United States or with U.S. banks and corporations. In some cases, these provisions will require divestitures of shares in joint investments overseas if existing U.S. facilities are to be preserved. It will also require divestiture of any investment banking subsidiaries in the United States by banks which wish to continue commercial banking operations. On such divestiture has already been required by the Board under authority of the Bank Holding Company Act amendments of 1970. It is anticipated that the number of divestitures will be large but that they will not cause great hardship. For both these reasons no grandfather provisions have been included.

The most restrictive provisions of the bill relate to interlocks between foreign banks and companies which do business in the United States. Such relationships are contrary to American banking law and to permit such relationships to continue would discriminate against American banks in favor of foreign banks. It should be noted, however, that the bill deals only with nonbanking activities within the United States. A foreign bank's relationships with companies which do not export to the United States or engage in any activities here is not a matter of concern.

From the point of view of American banks active overseas, one of the more important provisions in any act regulating foreign banking will be with questions of reciprocity. This bill authorizes the Secretary of the Treasury to take into consideration restrictions on entry imposed on American banks by foreign governments and to seek to establish parity in the level of banking interchange between a given country and the United States in approving foreign bank charters. However, it would not be appropriate to apply such a provision to underdeveloped countries or other countries where the potential for domination of their banking systems by American

banks exists. Such countries nevertheless require access to international money markets and should be permitted to engage in international banking in the United States even when they exclude banks within their own borders.

As these remarks have indicated, this is a highly complicated and controversial piece of legislation dealing with intricate developments in the world of international finance. I am not committed to every provision or detail of the bill, and recognize the need for full discussion and careful consideration by all interested parties. However, it does seem essential that Congress begin consideration of legislation in this area, and I have introduced this bill with the conviction that it reflects a reasonable analysis of areas in which problems exist and is headed in the right direction toward solving those problems.

PROPOSED AMENDMENTS TO BUDGET REFORM BILL

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, it is my intention to offer two amendments to the budget reform bill tentatively scheduled to come up on the floor of the House Tuesday, December 4. These amendment entering in to very long ongoing of the bill which was introduced by 43 Members of the House including myself earlier this year, entitled "the Federal Act To Control Expenditures and Upgrade Priorities."

One of these amendments would provide for evaluation and pilot-testing of programs prior to the Federal Government entering into very long ongoing programs.

The second amendment would provide for a maximum limitation on authorizations for new budget authority for 3 years. This gets to the problem of back door spending which has grown astronomically in recent years.

The amendments are as follows:

FIRST AMENDMENT TO H.R. 7130, AS REPORTED OFFERED BY Mr. BENNETT

Page 66, after line 14, insert the following new part:

PART E—EVALUATION AND PILOT TESTING OF PROGRAMS

Sec. 151. LEGISLATION SUBJECT TO POINT OF ORDER.

(a) IN GENERAL.—Except as provided in subsection (c), it shall not be in order in either House to consider any bill or resolution which establishes or extends a major outlay program unless such bill or resolution provides (or a prior law has provided) for—

(1) a pilot test of such program, or

(2) an evaluation of such program to be completed no later than 3 years after the enactment of such bill or resolution.

(b) MAJOR OUTLAY PROGRAM DEFINED.—For the purpose of this part, a major outlay program is any program estimated to cost more than $100 million for the first 3 fiscal years of the program or extension thereof, as determined by the Legislative Budget Director.

(c) EXCEPTION.—Subsection (a) shall not apply to a bill or resolution if the committee report accompanying it contains a statement, together with full reasons therefor, that the committee has given full consideration to program evaluation and pilot testing and, in its judgment, neither program evaluation nor pilot testing would be feasible or desirable for the program which is being established or extended, or for which budget authority is authorized, by the bill or resolution.

(d) NATURE OF PILOT TEST.—A pilot test of a major outlay program shall as nearly as possible include a replica of the program as it would be implemented on a permanent basis, shall be conducted for a defined period of time, and shall be conducted by the department or agency of the Government, or the public or private organization, specified in the law providing for the test.

(e) REPORTS OF EVALUATION OR PILOT TEST RESULTS.—The department, agency, or organization which conducts any evaluation or pilot test described in subsection (a) shall report the results to the committees of the House of Representatives and the Senate which have jurisdiction to report legislation implementing the program on a broad scale, authorizing its extension, or authorizing the enactment of budget authority to implement the program. Such report shall be submitted in sufficient time to permit adequate consideration by the Congress of legislation to implement the program on a broader scale or extend its authorization.

(f) MULTIPLE TESTS.—Nothing contained in this part shall preclude simultaneous multiple pilot tests of a major outlay program to determine the most feasible alternative before broader implementation.

(g) REPORTS BY COMMITTEES.—It shall not be in order in either House to consider any bill or resolution which authorizes appropriations to extend any major expenditure program, after the date of the enactment of this Act, until the appropriate committee of that House shall have submitted a report on any pilot test or evaluation conducted with respect to the program under this section.

Sec. 152. COMMITTEE ANALYSIS.

(a) IN GENERAL.—Each committee to which a report on an evaluation or pilot test is submitted under section 151(e) shall analyze and consider the results of the major outlay program involved in its consideration of legislation to implement the program on a broader scale or extend authorization of the program, as the case may be. In conducting such analysis, the committee may receive testimony and evidence in hearings open to the public. The appropriate committees of the two Houses may conduct such hearings jointly.

(b) MATTERS TO BE INCLUDED IN COMMITTEE REPORT.—The report of a committee on legislation to implement on a broader scale or extend authorization of a major outlay program shall include (but not be limited to) the following matters:

(1) Suitability of the Federal Government to implement such program on a broader scale or extend its authorization.

(2) A summary of any available evaluations or analyses of the program, including cost benefit studies, in relation to other alternative approaches, including those described in section 141.

(3) In the event the legislation would change a current method of dealing with a specific problem, a comparison of the current method used and the method used in the test, and an analysis in terms of relative effectiveness.

Sec. 153. REVIEW AND EVALUATION BY COMPTROLLER GENERAL.

Part I of title II of the Legislative Reorganization Act of 1970 (84 Stat. 1167; Public Law 91-510; 31 U.S.C. 1151 and following) is amended by striking out section 204 and inserting in lieu thereof the following:

"ASSISTANCE TO CONGRESS BY GENERAL ACCOUNTING OFFICE

"SEC. 204. (a) The Comptroller General shall review and evaluate the results of Government programs and activities carried on under existing law when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

"(b) The Comptroller General, upon request of any committee, joint committee, or member, shall assist such committee, joint committee, or member—

"(1) in developing specifications for legislative requirements for executive branch evaluations of Federal programs and activities, including reporting the results of such evaluations to the Congress; and

"(2) in analyzing and assessing program reviews, evaluation studies, and cost-benefit studies prepared by or for any Federal agency to assist a committee in meeting the requirements of section 152 of the Budget and Impoundment Control Act of 1973.

"(c) The Comptroller General shall develop and prescribe principles and standards for the evaluation of Federal programs and activities, and submit an annual report.

"(d) The Comptroller General shall monitor the various recurring reporting requirements of the Congress and its committees and make recommendations to the Congress and its committees for changes and improvements in these requirements to meet the congressional information needs as ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.

"(e) In carrying out his responsibilities under this part, the Comptroller General is authorized to establish an Office of Program Review and Evaluation within the General Accounting Office. The Comptroller General is authorized to employ not to exceed ten experts on a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time, for level V of the Executive Schedule under section 5316 of title 5, United States Code."

Redesignate the succeeding parts and sections (and cross references thereto) accordingly; and conform table of contents.

SECOND AMENDMENT TO H.R. 7130, AS REPORTED, OFFERED BY Mr. BENNETT

Page 66, after line 14, insert the following new part:

PART 5—LIMITATION ON PERIOD OF AUTHORIZATION OF NEW BUDGET AUTHORITY FOR MAJOR OUTLAY PROGRAMS; REQUIRED REVIEWS

SEC. 151. AUTHORIZATION OF NEW BUDGET AUTHORITY LIMITED TO THREE FISCAL YEARS.

(a) IN GENERAL.—No law enacted after the effective date of this part which authorizes new budget authority for any major outlay program may authorize such new budget authority for a period of more than three fiscal years.

(b) TERMINATION OF EXISTING PROGRAMS.—

(1) All provisions of law in effect on the effective date of this part which authorize new budget authority for any major outlay program for a period of more than three fiscal years, beginning with the first fiscal year which commences after such date, shall cease to be effective at the end of the fourth fiscal year beginning after such date.

(2) All provisions of law in effect on the effective date of this part which authorize new budget authority for any major outlay program for an unspecified number of fiscal

years shall cease to be effective at the end of the fifth year beginning after such date.

(c) EXCEPTION FOR PROGRAMS FUNDED BY USER TAXES.—Subsections (a) and (b) shall not apply to any major outlay program funded in whole or major part by user taxes.

(d) DEFINITION OF MAJOR OUTLAY PROGRAM.—

(1) For purposes of this part, the term "major outlay program" means a program for which the sum of—

(A) the amount of new budget authority authorized to be provided for the fiscal year in progress (or, if no new budget authority has been authorized, the amount of new budget authority requested for such fiscal year in the budget submitted by the President), and

(B) the aggregate of the new budget authority provided for the two preceding fiscal years,

is more than $100,000,000. Such term includes, for purposes of subsection (a), a program enacted after the effective date of this part which is estimated to cost more than $100 million for the first three fiscal years of the program or extension thereof, as determined by the Legislative Budget Director.

(2) For purposes of this part, a program for which new budget authority has not been provided or authorized (or requested) for a period of three fiscal years, shall be treated as a major outlay program (until new budget authority has been provided or authorized (or requested) for three fiscal years), if the sum of—

(A) the amount, if any, of new budget authority authorized to be provided for the fiscal year in progress (or, if no budget authority has been authorized, the amount, if any, of new budget authority requested for such fiscal year in the budget submitted by the President),

(B) the new budget authority, if any, provided for such program for any preceding fiscal year in such period, and

(C) the estimated cost of such program (as determined by the Director of the Congressional Office of the Budget) for any fiscal year in such period for which no amount is applicable under paragraph (1) or (2),

is more than $100,000,000.

SEC. 152. COMPREHENSIVE REVIEW AND STUDY.

(a) IN GENERAL.—

(1) During the period prescribed in subsection (b), each committee of the House of Representatives and the Senate which has jurisdiction to report legislation authorizing new burget authority for a major outlay program shall conduct a comprehensive review and study of such program and shall submit a report thereon to the House or the Senate, as the case may be. In conducting any such review and study, the committee shall receive testimony and evidence in hearings open to the public, except that such hearings may be closed to the public upon the same terms and conditions as hearings of the Committee on the Budget of that House may be closed to the public.

(2) Prior to the beginning of the period (or as soon thereafter as possible), during which any committee of the House of Representatives or the Senate is to conduct a comprehensive review and study of a major outlay program, the head of the department or agency of the Government which administers the program (or any part thereof) shall submit to the committee an evaluation and analysis of the program.

(b) PERIOD DURING WHICH REVIEW AND STUDY TO BE CONDUCTED.—

(1) The period referred to in subsection (a) for the first comprehensive review and study of a major outlay program is—

(A) with respect to any major outlay program in effect on the effective date of this part, the last fiscal year commencing after such effective date for which new budget authority is authorized for such program (after the application of section 151), except that (i) such review and study may be conducted in a fiscal year preceding such last fiscal year if the committees of both Houses required to conduct such review and study agree to conduct it during such preceding fiscal year, and (ii) if such last fiscal year precedes the third fiscal year commencing after such date, such review and study may be conducted during such third fiscal year if the committees of both Houses required to conduct such review and study agree to conduct it during that fiscal year, and

(B) with respect to any major outlay program enacted after such effective date, the third fiscal year during which the program is in effect.

For purposes of applying this paragraph, the provisions of section 151 shall be applied without regard to subsection (c) thereof.

(2) The period referred to in subsection (a) for the comprehensive review and study of a major outlay program (after the first such review and study) is the third fiscal year following the period during which the preceding review and study was conducted.

(c) COMMITTEES TO CONDUCT REVIEWS AND STUDIES.—Insofar as possible, the committees of the House of Representatives and Senate which have jurisdiction over a major outlay program shall conduct the review and study required by subsection (a) at the same time. Such committees may conduct the hearings required by such subsection jointly.

(d) CONTENTS OF COMMITTEE'S REPORT.—The report of a committee on a review and study of a major outlay program shall contain an analysis of the program and the committee's evaluation of the overall success or failure of the program, and shall include (but not be limited to) the following matters:

(1) Whether the program objectives are still relevant.

(2) Whether the program has adhered to the original and intended purpose.

(3) Whether the program has had any substantial impact on solving the problems and objectives dealt with in the program.

(4) The impact of the program on the functions and freedom of the private sector of the economy.

(5) The feasibility of alternative programs and methods for dealing with the problems dealt with in the program and their cost effectiveness.

(6) The relation of all Government and private programs dealing with the problems dealt with in the program.

(7) An examination of proposed legislation pending in either House dealing with the problems being dealt with in the program, including an examination of each proposed legislation in the context of—

(A) existing laws,

(B) other proposed legislation,

(C) private efforts, and

(D) whether public efforts will hinder or help private efforts.

SEC. 153. COORDINATION WITH OTHER PROVISIONS.

(a) AVOIDANCE OF DUPLICATE REVIEW AND STUDY.—If a committee of the House of Representatives or the Senate which is required under section 152 to conduct a comprehensive review and study of a major outlay program is also (but for the provisions of this section) required under another section or part of this title, during the same period, to analyze and consider the results of an evaluation of such program, such committee shall conduct the comprehensive review and study of such program under section 152, and the provisions of such other section or part shall not apply with respect to such evaluation.

(b) NONAPPLICATION OF OTHER PROVISIONS.—If a committee of the House of Representatives or the Senate which (but for this subsection) is required under another section or part of this title to analyze and consider the results of an evaluation of a major outlay program has conducted a comprehensive review and study of such program during either of the two fiscal years preceding the period when such analysis is otherwise required, the provisions of such other section or part shall not apply with respect to such evaluation.

SEC. 154. LEGISLATION SUBJECT TO POINT OF ORDER.

It shall not be in order in either the House of Representatives or the Senate to consider—

(1) any bill or resolution which authorizes the enactment of new budget authority for any major outlay program for any fiscal year beginning after the period during which the committee of that House which has jurisdiction over the program is required to conduct a comprehensive review and study under section 152, until that committee has submitted the report thereon required by such section, or

(2) any bill or resolution which authorizes the enactment of new budget authority for any major outlay program for a period of more than three fiscal year.

Redesignate the succeeding parts and sections (and cross references thereto) accordingly; and conform table of contents.

CONFLICT OF INTEREST?

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, it was announced yesterday that the administration plans to enlist some 250 oil industry executives as special Federal employees to run the new fuel allocation programs. It is important, in this connection, to keep in mind the very real possibility that, should gas rationing come, the Fuel Allocation Office might well also run the rationing program.

There can certainly be no question as to the wisdom of seeking the advice and counsel of those who have real knowledge as to the intricate workings of the oil industry when developing and administering a fuel allocation or rationing program.

However, it was also announced that the administration is seeking a special exemption for these oil industry employees from the conflict of interest provisions of the Federal crimes and criminal procedure statute.

Mr. Speaker, I must take strong exception to such an exemption. It seems quite obvious that these individuals would experience a conflict of interest inherent in the job they are being asked to undertake. How would an oil industry executive administer an allocation program relating to refinery mix of, for example, heating oil versus gasoline, when it is clear that the profit margin on the gasoline is higher than on the heating oil? Under existing conflict of interest statutes, any intentional manipulation of the allocation program to benefit his oil company would be illegal. We are being asked to remove such restrictions.

The existence of present conflict of interest statutes does not impugn the integrity of any present Federal employee, nor would it impugn the integrity of any "special" employee. These legal safeguards do not hamper necessary actions to meet the energy crisis in any way. They would simply offer some protection

to the American people, and should remain in effect.

Therefore, I shall introduce a resolution declaring it the sense of the Congress that no exemption from these statutes be granted to these oil industry employees. I believe that the views of the Congress on this issue should be expressed clearly and forthrightly. By all means, let us work with and consult those who have particular expertise in this complex oil industry. But let us not rewrite sound, protective laws which, if left on the books, can only help to give added credence to needed actions on the part of the Government to conserve our energy resources.

STATEMENT OF PRINCIPLES

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, it is most important that Congress convince the American public that we have learned the lessons of Watergate. It would be tragic if our Nation did not take steps to prevent a reoccurrence.

What Congress must do is act expeditiously on legislation to effect campaign election reforms. The weakest link in our political process is the manner in which our campaigns are financed and run. If costs continue to rise and are met by contributions from special interest groups, our whole system of government will continue to be tainted by the suspicion that private pressures, rather than the public interest, determine the decisions that are made in Washington.

In recent days, I joined over 90 of my colleagues in signing a document which sets forth certain basic principles regarding campaign reform. The principles embody what I believe to be the essential components of meaningful campaign reform legislation and I am including them in the RECORD at this point for the benefit of the public and any colleagues in Congress:

Enactment of a mixed system of public and private financing of qualified candidates for President and Congress in general elections at a level which will enable a candidate to mount an effective campaign without the need to seek large private contributions. The amount must be sufficient to encourage the maximum feasible dgree of competition in elections for Federal office, and there must be adequate safeguards to insure full and ready public accountability for the use of public and private funds;

partial public funding for minor party, new party and independent candidates based on their performance in the last election or their showing in the present election;

extension of the system to qualified primary candidates once they have demonstrated broad public support through some means, which might include raising a specified number of small contributions or collecting a number of petition signatures;

establishment of meaningful limitations on large private contributions from any source in conjunction with the provision of public financing;

incentives for candidates and political parties to raise private funds through large numbers of small contributors;

provisions to assure a role for political parties which would allow them to serve as a legitimate pooling mechanism for private contributions to candidates in general elections;

requirement of a central financial reporting and record-keeping checkpoint in each candidate's campaign for effective monitoring;

administration and enforcement of campaign financial reporting and disclosure laws and regulations by an independent entity.

In addition to supporting this basic statement, I am sponsoring legislation which would implement these proposals. The Clean Elections Act of 1973 is now pending before the House Administration Committee. This legislation contains the following provisions:

Establishes independent Federal Election Commission, with broad powers, including the powers to supoena and to initiate Court actions.

Requires that each candidate designate one political committee as the central campaign committee.

Establishes a "Federal Matching Payment Entitlement Fund" in the U.S. Treasury, which will match any contribution to a Federal Candidate or his committee not in excess of $50, in general elections for congressional candidates, and in primary and general elections for Presidential candidates.

Will match no funds until certified contributions reach aggregate amount of—$1,000 for Representatives, $5,000 for Senator, and $15,000 for President or National Committee.

Limits total matched funds to 10 cents times voting age population for congressional candidates and candidates seeking the Presidential nomination, and $15,000,000 for official national party committees.

Limits individual contributions to candidates to: $2,500 for President or Vice President and $1,000 for Senator or Representative.

Provides tax credit of up to $50 for contributions to candidates for public office.

Provides free TV time to Presidential and congressional candidates in general elections.

In summary, Mr. Speaker, I strongly urge my colleagues in the House to insist on expeditious action on the various campaign reform proposals. We should not be satisfied with pointing out past wrongs; we must take the needed steps to correct them.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. YOUNG of Alaska (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. DE LA GARZA (at the request of Mr. O'NEILL), for today, on account of necessary absence.

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. PEPPER (at the request of Mr. O'NEILL), after 5:15 p.m. today, on account of official business in congressional district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PRICE of Illinois, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. TOWELL of Nevada) to revise and extend their remarks and include extraneous matter:)

Mr. WYMAN, for 30 minutes, today.

Mr. GROVER, for 15 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. ASHBROOK, for 60 minutes, on December 4.

Mr. FINDLEY, for 5 minutes, today.

Mr. YOUNG of Florida, for 15 minutes, today.

Mr. DU PONT, for 60 minutes, on December 4.

(The following Members (at the request of Mr. BRECKINRIDGE) and to revise and extend their remarks and include extraneous matter:)

Mr. DINGELL, for 10 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DENT, for 5 minutes, today.

Mr. ROONEY of Pennsylvania, for 5 minutes, today.

Ms. HOLTZMAN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HOLIFIELD, and to include extraneous material in his remarks in the Committee of the Whole today on the DOD bill.

Mr. LEGGETT, to include extraneous matter in his remarks on H.R. 11575.

Mr. MATSUNAGA, prior to vote on Wyman amendment on H.R. 11575.

(The following Members (at the request of Mr. TOWELL of Nevada) and to include extraneous matter:)

Mr. MADIGAN.

Mr. WYMAN in two instances.

Mr. FISH.

Mr. THOMSON of Wisconsin.

Mr. YOUNG of Illinois in two instances.

Mr. WALSH.

Mr. BAUMAN in two instances.

Mr. MCCLORY.

Mr. ROUSSELOT in two instances.

Mr. ZWACH in five instances.

Mr. ASHBROOK in two instances.

Mr. SHOUP.

Mr. ARMSTRONG.

Mr. BROTZMAN.

Mr. CONABLE.

Mr. RONCALLO of New York.

Mr. HOSMER in two instances.

Mr. HARVEY in three instances.

Mr. GOODLING.

Mr. PRICE of Texas.

Mr. DERWINSKI in two instances.

Mr. CRONIN.

Mr. MAYNE.

Mr. DU PONT.

Mr. RUPPE.

Mr. CONTE.

Mr. KEMP.

(The following Members (at the request of Mr. BRECKINRIDGE), and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. BURKE of Massachusetts in two instances.

Mr. RODINO.

Mr. WOLFF in five instances.

Mr. DE LUGO.

Mr. PATTEN.

Mr. OBEY in four instances.

Mr. CAREY of New York.

Mr. MILFORD in two instances.
Mr. VANIK in two instances.
Mr. BADILLO.
Ms. HOLTZMAN.
Mr. ICHORD.
Mr. BINGHAM.
Mr. WALDIE in two instances.
Mr. DOMINICK V. DANIELS.
Mr. ROONEY of Pennsylvania.
Mr. CULVER in six instances.
Mr. MCCORMACK in two instances.
Mr. RIEGLE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 724. An act for the relief of Marcos Rojos Rodriguez; to the Committee on the Judiciary.

S. 774. An act for the relief of Arline Loader and Maurice Loader; to the Committee on the Judiciary; and

S. 1922. An act for the relief of Robert J. Martin; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1328. An act for the relief of M. Sgt. Eugene J. Mikulenka, U.S. Army, retired;

H.R. 1948. An act for the relief of Edgar P. Faulkner and Ray H. New;

H.R. 1949. An act for the relief of Hazel W. Lawson and Lloyd C. Johnson;

H.R. 2207. An act for the relief of Joseph C. Leeba;

H.R. 2213. An act for the relief of Cornelius S. Ball, Victor F. Mann, Jr., George J. Posner, Dominick A. Sgammato, and James R. Walsh;

H.R. 3044. An act for the relief of James Evans, publisher of the Colfax County Press, and Morris Odvarka;

H.R. 3530. An act for the relief of Eugenia C. Lyttie;

H.R. 3751. An act for the relief of James E. Fry, Jr., and Margaret E. Fry;

H.R. 4175. An act for the relief of Manuel H. Silva;

H.R. 4448 An act for the relief of 1st Lt. John P. Dunn, Army of the United States, retired;

H.R. 8406. An act for the relief of William M. Starrs; and

H.R. 9276. An act for the relief of Luther V. Winstead.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on November 29, 1973, present to the President, for his approval a bill of the House of the following title:

H.R. 7446. To establish the American Revolution Bicentennial Administration, and for other purposes.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until Monday, December 3, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1589. 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 Agriculture for "Forest Protection and Utilization", Forest Service, for fiscal year 1974, has been apportioned on a basis which indicates the necessity of a supplemental estimate of appropriations, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1590. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force; to the Committee on Armed Services.

1591. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Stuart Nash Scott, Ambassador-nominee to Portugal, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1592. A letter from the Vice President for Public and Government Affairs, National Railroad Passenger Corporation transmitting a report covering the month of October 1973, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

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. FLOOD: Committee of Conference. Conference report on H.R. 8877 (Rept. No. 93–682). Ordered to be printed.

Mr. HÉBERT: Committee on Armed Services. House Concurrent Resolution 386. Concurrent resolution expressing the concurrence of the Congress in naming the nuclear-powered aircraft carrier CVN–70 as the U.S.S. *Carl Vinson* (Rept. No. 93–683). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House resolution 725. Resolution waiving all points of order against the conference report on the bill S. 1443 to authorize the furnishing of defense articles and services to foreign countries and international organizations, and for other purposes; (Rept. No. 93–684). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. S. 1191. An act to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes; with amendment (Rept. No. 93–685). 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. CRANE:

H.R. 11689. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 11690. A bill to provide for Federal control over foreign banks and other foreign persons establishing, acquiring, operating, or controlling banking subsidiaries in the United States (including its possessions); to the Committee on Banking and Currency.

By Mr. DONOHUE:

H.R. 11691. A bill 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.

By Mr. FROEHLICH:

H.R. 11692. A bill to increase the availability of urgently needed mortgage credit for the financing of housing and other purposes; to the Committee on Banking and Currency.

H.R. 11693. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for amounts expended by law enforcement officers and firemen for meals which they are required to eat while on duty; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 11694. A bill to amend the act of February 24, 1925, incorporating the American War Mothers, to permit certain stepmothers and adoptive mothers to be members of that organization; to the Committee on the Judiciary.

By Mr. HECHLER of West Virginia (for himself, Mr. ASPIN, Mr. BADILLO, Mr. BREAUX, Mr. BROWN of California, Mr. FASCELL, Mrs. GRASSO, Mr. MURPHY of New York, Mr. NEDZI, Mr. ROY, and Mr. STUDDS):

H.R. 11695. A bill 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 assure the continuation of vital public services; and for other purpose; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER:

H.R. 11696. A bill to amend the Atomic Energy Act of 1954 with respect to the granting of awards for inventions or discoveries contributing to the development, use, or control of atomic energy; to the Joint Committee on Atomic Energy.

By Mr. JOHNSON of Pennsylvania:

H.R. 11697. A bill to amend the Export Administration Act of 1969, to prohibit the export of oil from the United States to countries other than Canada and Mexico; to the Committee on Banking and Currency.

By Mr. JOHNSON of Colorado:

H.R. 11698. A bill to amend the Wild and Scenic Rivers Act by designating segments of certain rivers in the State of Colorado for study as potential components of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. LANDGREBE:

H.R. 11699. A bill to amend the act of November 5, 1966, providing for the establishment of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

H.R. 11700. A bill to provide for the compensation of persons injured by certain crim-

inal acts, to make grants to States for the payment of such compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 11701. A bill to impose an embargo on the export of petrochemicals until price controls on petrochemicals are removed; to the Committee on Banking and Currency.

By Mr. RONCALLO of New York:

H.R. 11702. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. SIKES:

H.R. 11703. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on the amounts paid for communication services shall not apply to the amount of the State and local taxes paid for such services; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 11704. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. STEIGER of Arizona:

H.R. 11705. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. TIERNAN (for himself, Mr. HARRINGTON, and Mr. FROEHLICH):

H.R. 11706. A bill to authorize the Secretary of Transportation to make grants and provide technical assistance to units of general local government to implement programs which are designed to increase the use of carpools by commuters; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Illinois (for himself, Mr. BROYHILL of North Carolina, Mr. MCCOLLISTER, and Mr. MADIGAN):

H.R. 11707. A bill to establish an independent Special Prosecutor and for other purposes; to the Committee on the Judiciary.

By Mr. BENNETT (for himself, Mr. BADILLO, Mr. BAFALIS, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. EDWARDS of California, Mr. FISHER, Mrs. GREEN of Oregon, Mr. GUNTER, Mr. HARVEY, Mr. HECHLER of West Virginia, Mr. KETCHUM, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. PEPPER, Mr. PIKE, Mr. PODELL, Mr. RIEGLE, Mr. SEIBERLING, Mr. WARE, Mr. WHITE, Mr. WHITEHURST, Mr. WON PAT, Mr. YOUNG of Alaska, and Mr. YOUNG of Georgia):

H.R. 11708. A bill to provide for competitive bidding on Federal contracts and federally funded contracts; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 11709. A bill to provide emergency security assistance authorization for Israel; to the Committee on Foreign Affairs.

By Mr. DULSKI (for himself, Mr. HENDERSON, and Mr. UDALL):

H.R. 11710. A bill to insure that the compensation and other emoluments attached to the Office of Attorney General are those which were in effect on January 1, 1969, to amend title 39, United States Code, to clarify the proper use of the franking privileges by Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DU PONT (for himself, Mr. BIESTER, and Mr. RYAN):

H.R. 11711. A bill to insure that each admission to the service academies shall be made without regard to a candidate's sex, race, color, or religious beliefs; to the Committee on Armed Services.

By Mr. FASCELL:

H.R. 11712. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on the amounts paid for communication services shall not apply to the amount of the State and local taxes paid for such services; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 11713. A bill to amend the Federal Election Campaign Act of 1971 to establish a program of Federal financial assistance to encourage and assist the States and local governments in voter registration and election administration, and for other purposes; to the Committee on House Administration.

By Mr. HOWARD (for himself, Mr. SNYDER, and Mr. CLEVELAND):

H.R. 11714. A bill to provide for the development of improved design, lighting insulation, and architectural standards to promote efficient energy use in residential, commercial, and industrial buildings; to the Committee on Public Works.

By Mr. KOCH:

H.R. 11715. A bill to amend title II of the Social Security Act to permit an individual receiving benefits thereunder to earn outside income without losing any of such benefits; to the Committee on Ways and Means.

By Mr. KUYKENDALL:

H.R. 11716. A bill to amend the Social Security Act to provide the States with maximum flexibility in their programs of social services under the public assistance titles of the act; to the Committee on Ways and Means.

By Mr. LANDGREBE:

H.R. 11717. A bill to repeal the Consumer Product Safety Act of 1972; to the Committee on Interstate and Foreign Commerce.

H.R. 11718. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Profession ' Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 11719. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 11720. A bill to amend title 39 of the United States Code to exempt certain newspaper advertisements of lotteries which are legal under applicable State law, or sponsored by a State, from the list of nonmailable matter; to the Committee on Post Office and Civil Service.

H.R. 11721. 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. SHIPLEY:

H.R. 11722. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from imposing certain seatbelt standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 11723. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11724. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROYHILL of North Carolina (for himself, Mr. WARE, Mr. MCCOLLISTER, and Mr. YOUNG of Illinois):

H.R. 11725. A bill to amend the National Traffic and Motor Vehicles Safety Act of 1966 to authorize appropriations for fiscal years 1974, 1975, and 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN (for himself and Mr. BROWN of California):

H.R. 11726. A bill to amend the Internal Revenue Code of 1954 to encourage greater conservation of energy in home heating and cooling by providing an income tax deduction for expenditures made for more effective insulation and heating equipment in residential structures; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. ANDERSON of Illinois and Mr. BROWN of California):

H.R. 11727. A bill to establish in the Department of Housing and Urban Development a direct low-interest loan program to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation and heating equipment; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 11728. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD (for himself, Mr. BLATNIK, Mr. JONES of Alabama, Mr. HARSHA, Mr. KLUCZYNSKI, Mr. WRIGHT, Mr. CLEVELAND, Mr. GRAY, Mr. DON H. CLAUSEN, Mr. CLARK, Mr. SNYDER, Mr. JOHNSON of California, Mr. ZION, Mr. DORN, Mr. HENDERSON, Mr. ROBERTS, Mr. BAKER, Mr. SHUSTER, Mr. ANDERSON of California, Mr. WALSH, Mr. ROE, Mr. RONCALIO of Wyoming, Mr. MCCORMACK, Mr. ABDNOR, and Mr. JAMES V. STANTON):

H.R. 11729. A bill to conserve energy on the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. HOWARD (for himself, Mr. HANRAHAN, Ms. ABZUG, Mr. TAYLOR of Missouri, Mr. BREAUX, Mr. STUDDS, Mrs. BURKE of California, Mr. GINN, and Mr. MILFORD):

H.R. 11730. A bill to conserve energy on the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. HOLIFIELD (for himself, Mr. HORTON, Mr. PRICE of Illinois, Mr. HOSMER, Mr. BROOKS, Mr. FOUNTAIN,

Mr. JONES of Alabama, Mr. MOSS, Mr. FASCELL, Mr. MACDONALD, Mr. MOORHEAD of Pennsylvania, Mr. RANDALL, Mr. WRIGHT, Mr. ST GERMAIN, Mr. CULVER, Mr. FUQUA, Mr. DONOHUE, Mr. JAMES V. STANTON, Mr. RYAN, Mr. ERLENBORN, Mr. WYDLER, Mr. BROWN of Ohio, Mr. VANDER JAGT, Mr. GUDE, and Mr. MCCLOSKEY):

H.R. 11731. A bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions; to the Committee on Government Operations.

By Mr. HOLIFIELD (for himself, Mr. HORTON, Mr. PRICE of Illinois, Mr. HOSMER, Mr. YOUNG of Texas, Mr. ANDERSON of Illinois, Mr. HANSEN of Idaho, Mr. LUJAN, Mr. JOHNSON of California, Mr. CORMAN, Mr. HAWKINS, Mr. LEGGETT, Mr. ROYBAL, Mr. BROWN of California, Mr. ANDERSON of California, Mr. DANIELSON, Mr. DON H. CLAUSEN, Mr. CAMP, Mr. COUGHLIN, Mr. SEBELIUS, Mr. KETCHUM, Mr. MARTIN of North Carolina, Mr. TOWELL of Nevada, and Mr. YOUNG of Alaska):

H.R. 11732. A bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions; to the Committee on Government Operations.

By Mr. HOLIFIELD (for himself, Mr. HORTON, Mr. PRICE of Illinois, Mr. HOSMER, Mr. BUCHANAN, Mr. THONE, Mr. MALLARY, Mr. PARRIS, Mr. REGULA, Mr. HINSHAW, Mr. STEELMAN, Mr. PRITCHARD, and Mr. HANRAHAN):

H.R. 11733. A bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions; to the Committee on Government Operations.

By Mr. REID (for himself, Mr. BADILLO, Mr. BELL, Ms. CHISHOLM, Mr. EDWARDS of California, Mr. EILBERG, Mr. FAUNTROY, Mr. HARRINGTON, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. NIX, Mr. ROSENTHAL, Ms. SCHROEDER, Mr. STARK, and Mr. STUDDS):

H.R. 11734. A bill to prohibit any increase in fares charged by mass transmit systems for a 1-year period and to provide for grants to any mass transit system which may be adversely affected by such prohibition of fare increase; to the Committee on Banking and Currency.

By Mr. YOUNG of Florida:

H.R. 11735. A bill to amend the Federal Election Campaign Act of 1971 to provide for more effective regulation of elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. FORSYTHE:

H.J. Res. 837. A joint resolution designating the third week of April of each year as "Earth Week"; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. GUBSER, Mr. REES, Mr. CRONIN, Mr. RYAN, Mr. HINSHAW, Mrs. MINK, Mr. VEYSEY, Mr. SYMMS, Mr. DON H. CLAUSEN, Mr. TOWELL of Nevada, Mr. MCCLOSKEY, Mr. PARRIS, Mr. RUNNELS, Mr. JOHNSON of California, Mr. SISK, Mr. HARSHA, Mr. FROEHLICH, Mr. HECHLER of West Virginia, Mr. MOORHEAD of California, Mr. BURGENER, Mr. ROUSSELOT, Mr. REGULA, Mr. TEAGUE of California, and Mr. STEELMAN):

H.J. Res. 838. Joint resolution authorizing increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes; to the Committee on Armed Services.

By Mr. KETCHUM (for himself, Mr. HANRAHAN, and Mr. SKUBITZ):

H.J. Res. 839. Joint resolution authorizing increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes; to the Committee on Armed Services.

By Mr. JOHNSON of Pennsylvania:

H. Con. Res. 930. Concurrent resolution calling for the conducting of a study by the Secretary of the Interior with respect to more efficient methods of use of coal and oil shale and the effect on American consumers of continued exports of coal; to the Committee on Interior and Insular Affairs.

By Ms. HOLTZMAN:

H. Res. 724. Resolution to amend rule XXII of the Rules of the House of Representatives to require that any private bill relating to immigration or naturalization be accompanied by a statement that the Member introducing such bill shall receive no compensation with respect to his introduction of such bill; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY of New York:

H.R. 11736. A bill for the relief of the Maimonides Medical Center, Brooklyn, N.Y.; to the Committee on the Judiciary.

By Mr. TIERNAN:

H.R. 11737. A bill for the relief of James E. Eldridge; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

368. The SPEAKER presented a petition of Ted Patrick, San Diego, Calif., relative to the creation of a committee to investigate his activities; to the Committee on Rules.

SENATE—*Friday, November 30, 1973*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Reverend Dr. Seth R. Brooks, pastor, Universalist National Memorial Church, Washington, D.C., offered the following prayer:

Our Father, we praise Thy name and give thanks unto Thee. As the mountains are around Jerusalem and as Thou didst go before Thy children a cloud by day and a pillar of fire by night we would believe that our lives are surrounded by Thy truth and that going before us is Thy moral law.

We are grateful for all who have loved this country, served it, and laid down their lives for it.

Where this Nation is in error, correct it; and where it is right, strengthen it.

Be with those who meet within these walls. May the spirit of righteousness reign over the business which is here transacted.

Bless the Members of this august body with health, clarity of mind, and wisdom, without which the people perish.

For Thine is the kingdom and the power and the glory forever. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, November 29, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE CHAPLAIN

Mr. HUGH SCOTT. Mr. President, I note the unusual circumstance that we have had the same visiting chaplain for 2 days consecutively.

I suppose that means he must have gotten through on the first call.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 536 up to and including 558.

The PRESIDENT pro tempore. Without objection, it is so ordered.

OSSIE EMMONS ET AL.

The bill (H.R. 1694) for the relief of Ossie Emmons and others was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–556), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay the amounts set opposite the names of persons listed below in full settlement of their claims against the United States for losses and damages they suffered due to the flooding of their lands as a result of the release of waters of the Wappapello Dam and Reservoir on or about September 25, 1965, without warning or notice which would have enabled them to take steps to avoid or minimize the losses from the flooding caused by that release.